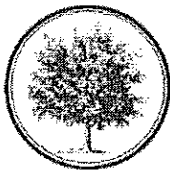


**From:** The Buckeye Institute  
**Sent:** Friday, May 4, 2018 7:01 AM  
**To:** Snider, Grace  
**Subject:** It is Time to Call Foul on Special Interest Giveaways, By Quinn Beeson



## THE BUCKEYE INSTITUTE

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### It is Time to Call Foul on Special Interest Giveaways

**By Quinn Beeson**  
**May 4, 2018**

First, Ohio legislators proposed increasing the handouts for the entertainment industry through the special interest **motion picture tax credit**. Now, they're proposing giving away more money for large sporting events. Any guess as to who would be footing that bill? That's right, you, Ohio taxpayers.

The current Sporting Event Grant Program is bad enough, and allows a county or municipality to receive state taxpayer dollars to host a national or international sporting event. For example, residents of Toledo, Southeastern Ohio, and elsewhere in the state helped Columbus host the **2018 NCAA Women's Final Four** in late March. I wonder if residents in Southeastern Ohio think that was a good use of their tax dollars or if they would have preferred the money be spent on education or repairing crumbling infrastructure.

The current program is capped at \$1 million for a county or municipality per year, but proposed changes being considered by the legislature would **get rid of the limits**, meaning cities could get even more than \$1 million per year in taxpayer dollars. This means even more money being spent on sports and entertainment that most of us will never benefit from and less money being spent fixing our roads, repairing our water and sewer lines, or educating our children.

Taxpayers' hard-earned money is already being wasted on these special interest handouts that by-and-large only go to Ohio's largest cities that are well able to finance these

events. And increasing the giveaways means Ohio legislators will either have to cut spending or increase taxes across the state, just so one community can benefit from hosting a tournament.

These events, while fun, exciting, and a boost to a local economy, do not benefit all Ohioans and typically only benefit Ohio's largest cities - home field advantage for sure. So let's call goaltending on the big cities, and let them fund these efforts with their own tax dollars and keep state tax dollars focused on building a strong Ohio.

*Quinn Beeson is the economic research analyst with The Buckeye Institute's Economic Research Center.*

###

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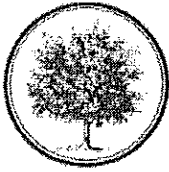
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**From:** The Buckeye Institute  
**Sent:** Wednesday, May 9, 2018 10:05 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute Again Calls on Policymakers to Close Tax Loopholes



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

May 9, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute Again Calls on Policymakers to Close Tax Loopholes**

*Greg Lawson Submits Written Testimony to the Ohio-Tax Expenditure Review Committee*

**Columbus, OH -- The Buckeye Institute's** Greg R. Lawson submitted written testimony today (see full text below or **download a PDF**) to the Ohio Tax Expenditure Review Committee urging the committee to close tax loopholes, which would create a better economic environment to grow Ohio's economy.

Lawson opened his testimony highlighting the positive steps policymakers have taken in the past eight years, including lowering the state's personal income tax and slowly addressing its "flawed municipal income tax system." Lawson said these changes have improved Ohio's business climate, but said more can be done and that "Confronting the proliferation of tax expenditures, commonly called 'tax loopholes,' is the next logical step for meaningful reform."

Beyond simply closing loopholes, Lawson noted that The Buckeye Institute, **along with Policy Matters Ohio**, would urge policymakers to include an automatic sunset for tax expenditures saying, "Such a sunset provision would...ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good."

By closing tax loopholes, which will cost Ohio **more than \$18 billion** in revenue in 2018-2019, Lawson noted that policymakers would make Ohio tax code less complex, more transparent, and more equitable -- all **hallmarks of sound tax policy**.

Lawson went on to point out that Buckeye has **already identified \$1.8 billion in tax loopholes that should be closed** and ended saying, "Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity."

The Buckeye Institute **first called for the creation of the review committee** in 2011, when, along with the Center for Community Solutions and the Greater Ohio Policy Center, it identified **20 loopholes** that should have been closed.

###

**Interested Party Written Testimony Submitted to the  
Ohio Tax Expenditure Review Committee**

**Greg R. Lawson, Research Fellow  
The Buckeye Institute  
May 9, 2018**

Chairman Oelslager and members of the Tax Expenditure Review Committee, thank you for the opportunity to submit written testimony today.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The Kasich Administration and the General Assembly have made progress improving Ohio's tax system. The state's personal income tax has been lowered to less than five percent, Ohio relies more on the consumption tax, which is less economically distorting, and the state has begun to slowly address its flawed municipal income tax system. These changes have improved Ohio's business climate, but more can and should be done to make Ohio more attractive to citizens and new businesses.

Confronting the proliferation of tax expenditures, commonly called "tax loopholes," is the next logical step for meaningful reform. Eliminating unneeded tax expenditures will further

reduce Ohio's personal income tax, which will create a better economic environment for job creators of all shapes and sizes to grow Ohio's economy. For years, The Buckeye Institute has called for a more thorough review of tax expenditures, and we do so again today.[1]

In 2011, we joined with the Greater Ohio Policy Center and the Center for Community Solutions, two think tanks with policy views quite different than our own, to call for something similar to this very Committee to be created in order to examine the true economic effects of tax loopholes.[2] Today, we agree with our friends at Policy Matters Ohio who have called for an automatic sunset of tax expenditures in the absence of their explicit reauthorization by the General Assembly. Such a sunset provision would heighten the urgency of this review process and ensure that loopholes are regularly reviewed and eliminated when they no longer serve a public good.[3]

New tax expenditures have been inserted into the tax code at the state and federal levels for decades. Many with good reason. For example, sales tax exemptions have helped Ohio avoid a crippling tax system that inflates prices and costs to consumers by taxing subcomponents of products during production, and Ohio is wise to use exemptions that prevent such harmful taxes. But not all tax exemptions have such a net positive effect. Loopholes make the tax system more complex, less transparent, and less equitable -- all hallmarks of an unsound tax policy.[4] By contrast, lower, fairer income taxes and consumption taxes will improve Ohio's tax climate without creating unfair economic advantages for some at the expense of others.

Tax expenditures cost the state tax revenue that must then be made up by other taxes and taxpayers. When, for instance, the General Assembly gives annual \$1.6 million tax exemptions for flight simulators, the rest of us without flight simulators must off-set that lost revenue through other taxes. Similar exemptions that require off-setting taxes and tax hikes now permeate the state's tax code, and their associated costs add up. According to the latest Tax Expenditure Report from the Department of Taxation, Ohio is estimated to lose more than \$18 billion in revenue during the Fiscal Years 2018-2019 biennial budget period.[5]

To help address the loophole and lost revenue problem, The Buckeye Institute recently suggested closing a number of tax loopholes that cost Ohio more than \$1.8 billion.[6] Our suggestions include:

- The notorious NetJets loophole for those who buy shares of corporate jets;
- The motion picture tax credit, already eliminated in other states, including Michigan;[7]

- Credits for political campaign contributions; and
- The job retention and creation tax credits that favor some businesses over others.

State policymakers have significantly improved Ohio's tax system over the past decade and a half, but more work remains to be done. Fifteen years ago, Ohio had an uncompetitive tangible personal property tax and a highly progressive personal income tax with an onerous top rate of more than seven percent.[8] As this Committee knows, that top income tax rate is actually higher due to Ohio's burdensome municipal income tax system and, in many cases, local school district income taxes. Since then, tax reform efforts have helped relieve some of the burden, but today Ohioans pay a total tax bill that remains much higher than it should.[9]

Ohio's average combined state *and* local tax rate is still more than seven percent according to the non-partisan Tax Foundation.[10] In some places it can climb even higher, with the combined state and local tax rate reaching nearly 10 percent[11] -- a level one might expect in high-tax states like New York.[12] Such high rates have real world consequences for workers, businesses, and states. As the Tax Foundation has demonstrated, people and jobs do in fact migrate from high-tax states to low-tax states -- and that migration will inevitably cost Ohio workers, businesses, and future economic opportunities.[13]

As state policymakers continue to tackle tax reform and strive to improve Ohio's recovering economy, the work of this Committee is critical. Closing unnecessary tax loopholes will save the state revenue, level the tax burden for businesses and families, and allow for further reductions in the state's still-too-high income taxes. By doing so, policymakers will strengthen Ohio's economic environment and job creation climate that will provide even greater prosperity.

---

[1] Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

[2] *The Plain Dealer* Editorial Board, When 3 Think Tanks With Quite Different Outlooks Agree on a List of Tax Loopholes to Close, Ohio's Leaders Should Listen, *The Plain Dealer*, May 21, 2011.

[3] Zach Schiller and Wendy Patton, Testimony to Tax Expenditure Review Committee, Policy Matters Ohio, April 25, 2018.

[4] Rea S. Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, February 2, 2015.

[5] Ohio Department of Taxation, *Tax Expenditure Report: The State of Ohio Executive Budget- Fiscal Years 2018-2019*, November 25, 2016.

[6] Tax Loopholes Ohio Should Close, The Buckeye Institute (Last visited May 2, 2018).

[7] Paul Egan, Snyder Signs Bill Ending Incentives for Film Industry, *Detroit Free Press*, July 10, 2015.

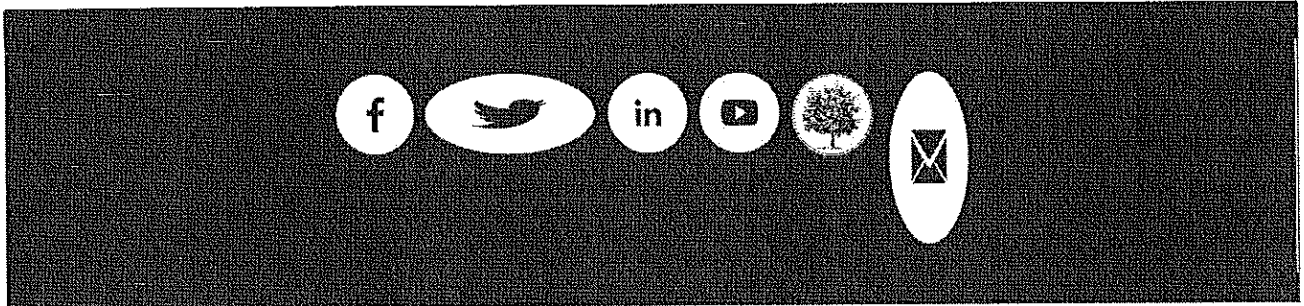
[8] Ohio Individual Income Tax Rates: 2005-2017, Ohio Department of Taxation (Last visited May 1, 2018).

- [9] Student Tax Education Program - Tax History, Ohio Department of Taxation (Last visited May 1, 2018).
- [10] Jared Walczak and Scott Drenkard, *State and Local Tax Rates 2018*, The Tax Foundation, February 13, 2018.
- [11] Morgan Scarboro, Scott Drenkard, and Rea S. Hederman Jr., *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Tax Foundation and The Buckeye Institute, June 2017.
- [12] *Ibid.*
- [13] State to State Migration Data, The Tax Foundation (Last visited May 3, 2018).

###

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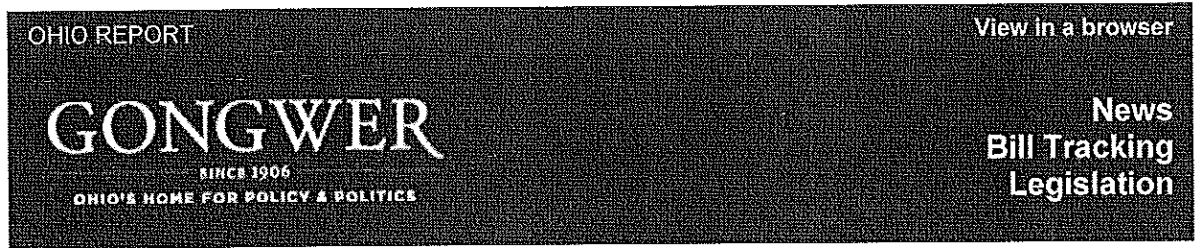
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**From:** Gongwer News Service  
**Sent:** Thursday, May 10, 2018 6:40 PM  
**To:** Snider, Grace  
**Subject:** Ohio Report, Thursday, May 10, 2018  
**Attachments:** May10.htm; 180510dayplan.htm; May11Schedule.htm



## **OHIO REPORT THURSDAY, MAY 10**

**State Auditor: ECOT Officials May Have Engaged In Criminal Activity**

**Democrats Seek To Anchor Republican Candidates To Online School  
Faulted In Audit**

**Medicaid Officials Detail Safeguards For Managed Care Expansion**

**Administration Points To Improvements In Behavioral Health Redesign  
Payments**

**Retirement Study Council Approves 2019 Budget**

**State Offers Guidance On Mental Health, Firearms; Chronic Pain Rule  
Available For Comment...**

**Agency Briefs: AG Approves Petition For Legalized Pot Issue; Arts  
Council Gets Nearly \$1 Million NEA Grant; Auditor; ODA; DAS**

**Governor's Appointments**



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**Volume #87, Report #91 -- Thursday, May 10, 2018**

**State Auditor: ECOT Officials May Have Engaged In Criminal Activity**

State Auditor Dave Yost on Thursday referred his office's audit of the Electronic Classroom of Tomorrow for potential prosecution before blasting the Department of Education's oversight of the now-shuttered e-school and calling for stricter state laws on such entities.

The auditor's report determined that ECOT failed to provide documents proving students were using their computers for educational purposes for the hours it requested payment for during the 2016-17 school year. The audit found that although the school used tracking software known as ActivTrak to record what websites and programs students were using and how long they were using them, it did not provide all of that data to ODE.

Mr. Yost also issued findings for recovery on nearly \$250,000 that ECOT-related entities spent on political advertising as the General Assembly was considering new measures to regulate charters and ODE was looking to claw back payments made to the online school.

The audit's release kicked off another round of criticism from Democrats who accused Republican leaders of failing to oversee ECOT and prompted several Republican statewide candidates to donate money their campaigns had previously received from school leaders (*See separate story*).

Mr. Yost called information garnered from ActivTrak "the smoking gun" in his office's investigation into ECOT, which ended with him referring the findings to the Franklin County Prosecutor's Office and U.S. Attorney's Office.

"For the first time, we can prove that ECOT submitted information to ODE in order to get paid that it knew to be false when it was submitted," Mr. Yost said.

After ODE requested information on student participation at the e-school, Mr. Yost said ECOT provided "meaningless and unreliable information ...that ODE inexplicably accepted." He said department officials should have pushed for more information from the school.

"I would not have accepted the watered-down, blanked-out spreadsheets that were submitted to ODE," he said.

In a statement, Mr. Yost went further to challenge the department's handling of the e-school.

"With the level of incompetence displayed by both the school and ODE, the regulator, it's amazing that any money went to education whatsoever," he said.

ODE spokeswoman Brittany Halpin in a statement pushed back against the auditor's claim that the department mishandled its oversight of ECOT.

"No one has held ECOT more accountable for the education of students than the Department of Education, and our work to return approximately \$80 million to Ohio's taxpayers continues," she said.

Ms. Halpin said department officials "repeatedly questioned and subsequently rejected portions of ECOT's data."

ECOT closed in January after the State Board of Education voted the previous summer to claw back \$60 million from the school after an audit found it over-reported its full-time enrollment for the 2015-16 school year. The panel earlier this year tacked on another \$19 million to the school's debt, claiming it again overstated enrollment for 2016-17. (See Gongwer Ohio Report, February 12, 2018)

The e-school has filed two appeals with the Ohio Supreme Court, claiming ODE and the State Board of Education acted improperly in the lead-up to its closure. (See Gongwer Ohio Report, April 16, 2018)

Along with a referral for possible prosecution, the auditor's office issued a finding for recovery of \$249,962. The amount reflects an invoice submitted to ECOT in 2017 for a political ad buy that eventually was paid by Third Wave Communications, according to the auditor's report.

Mr. Yost said Third Wave Communications shares common ownership with other ECOT-linked businesses, leading auditor's investigators to conclude it paid the invoice in order to disguise ECOT's role in purchasing the advertising, which targeted the ODE and state lawmakers.

Karl Schneider, an attorney representing Third Wave Communications, said in a statement the finding for recovery was "meritless" and the result of a political frenzy around ECOT. He said Third Wave plans to challenge the finding.

"Mile-wide, inch-deep investigations have a tendency to lead to unsubstantiated conclusions that generally fail when tested with evidence in the court system, which is the case here," he said.

The auditor said ECOT officials also declined in April to sign a routine letter stating they provided all information necessary for the completion of the audit and that they had informed auditor's investigators of any possible fraud or illegal actions.

Auditor Yost said he anticipates his office will offer legislative recommendations based on the audit of ECOT, which likely will focus on preventing conflicts of interest and

promoting transparency among e-schools and the companies that manage them. He said the legislature also should look into whether funding such schools based on the time their students spent in class makes sense.

"Online learning needs to go to a learning-based, or achievement-based funding mechanism," he said.

Senate President Larry Obhof (R-Medina) said Thursday afternoon he is proud of legislation passed in 2015 (HB 200) that overhauled the state's accountability system for charter schools, which he said is working. He said he had not read the auditor's report, but would be open to recommendations from Mr. Yost.

"I'd be happy to sit down with him and talk about that," Mr. Obhof said.

A message seeking comment from ECOT's attorney was not returned prior to deadline.

### **Democrats Seek To Anchor Republican Candidates To Online School Faulted In Audit**

On the day Auditor Dave Yost announced he was referring his audit of the Electronic Classroom of Tomorrow's finances to prosecutors, Democrats made hay out of Republicans' ties to the defunct e-school.

Former federal prosecutor Steve Dettelbach, Mr. Yost's Democratic opponent for the office of attorney general, in a series of tweets Thursday again called on Yost to recuse himself from ECOT-related matters and questioned the timeline that led up to the referral.

"Dave Yost's excuses for why he couldn't refer the case are a flat out joke. I was a federal prosecutor for 20 years. Fraud cases don't get better with age," Mr. Dettelbach wrote.

At a press conference for the release of the report, Auditor Yost defended the timing of the referral.

"The criminal referrals always happen at the conclusion or near the conclusion of our work," he said.

David Pepper, chairman of the Ohio Democratic Party, said in a statement the auditor's report jibes with Democrats' previous criticisms of charter schools.

"Finally, after years of pretending otherwise, even the Republican auditor of this state is at long last admitting that one of the central policy directions pursued by Republicans in Ohio for nearly two decades turns out to be a fraudulent scam," he said.

Pepper also accused Yost of taking contributions from ECOT, then "(handing) out awards to ECOT like candy and (ignoring) whistleblowers who came to his office."

Mr. Yost said auditor of state awards are "given under objective criteria," adding ECOT received its awards before the Department of Education imposed standards requiring e-schools to provide data on how long their students spent in class.

"The auditor of state's award has nothing to do with how well you're run," he said. "It has specifically and only to do with whether you meet these criteria, and if you meet them, you automatically get the award."

The auditor also denied accusations his office ignored the claims of a whistleblower who went to ODE and the auditor's office last year alleging the school ordered employees to manipulate enrollment data. Mr. Yost said auditor's officials spoke with him twice and reviewed documents he provided to investigators.

"(The whistleblower's) knowledge was insufficient to base a criminal referral (on) at that time," Mr. Yost said, adding that the auditor's office was "already aware of virtually everything that he said" and working on an audit program to review the school.

The Yost campaign also announced it is donating \$29,395 to charity to offset contributions made by people with ties to ECOT to Mr. Yost's state auditor campaign and transition committee in response to the referral for prosecution.

Allison Dumski, spokeswoman for the campaign of Republican auditor candidate Rep. Keith Faber (R-Celina), said in a statement the campaign is donating \$36,513 to "high quality charter schools" to offset donations from ECOT founder Bill Lager to Faber's prior campaigns.

"As made evident by Auditor Yost's report today, ECOT abused the state's public trust, deceived parents, and most importantly, hurt the thousands of students who sought a quality education," Rep. Faber said in a statement. "Thanks to the strong charter school reforms put in place while I was Senate president and the diligent work of Auditor Yost and his staff, ECOT was caught and is out of business."

Mr. Faber's democratic opponent in the auditor's race, former Congressman Zack Space, called for politicians who took contributions from ECOT or related individuals to give them back in a Thursday-morning tweet.

"Finally, a long overdue referral for prosecution, after YEARS of scamming our tax dollars. Many questions remain, but the biggest: what role did political contributions have in creating or perpetuating this scam? Pols who took ECOT \$ should return it," he wrote.

Sen. Joe Schiavoni (D-Boardman) in a statement said the auditor's announcement was a case of "better late than never."

"However, I am concerned that the auditor avoided acknowledging his own failures to hold ECOT accountable in the past," he said. "The auditor is well aware that the Ohio Department of Education had the power to ask for detailed student attendance data before 2014. That means the data should have existed and Auditor Yost could have asked for it."

Sen. Vernon Sykes (D-Akron) in a statement called for a bipartisan reform effort in regards to e-schools. He said the legislature could start by considering a measure (SB 39) introduced by Sen. Schiavoni in February.

"It is within the legislature's mandate to create a more efficient and effective education system so that Ohio's children have the opportunity to thrive," he said. "Members of the General Assembly have a moral obligation to work together toward bipartisan e-school reform."

Rep. Teresa Fedor (D-Toledo) and Rep. Tavia Galonski (D-Akron) sent a letter to Mr. DeWine requesting the appointment of a special prosecutor to investigate the e-school.

"Taxpayers, students and their families deserve to know the truth about the extent of ECOT officials' criminal activity to defraud the state out of tens of millions of dollars," the letter stated.

Democratic gubernatorial candidate Rich Cordray used the release of the audit as an opportunity to tie his Republican-opponent, Attorney General Mike DeWine, to the e-school.

"This is just the latest attempt by Republicans in the Statehouse to whitewash their ECOT scandal," Mr. Cordray said in a statement. "They willfully looked the other way as a billion of our taxpayer dollars went to a politically-connected for-profit charter school instead of to educating Ohio students. In exchange for enabling their scam, Mike DeWine and Jon Husted raked in tens of thousands of dollars in campaign contributions, while our state, taxpayers and children were being defrauded and mistreated."

Joshua Eck, a spokesman for the DeWine/Husted campaign, said in a statement the auditor's report actually shows Republicans are providing oversight of charter schools.

"Mike DeWine and Jon Husted believe that every dollar we invest in education needs only one priority: Helping our kids get off to a great start in life," he said. "Anyone who tries to manipulate that system should be held to account. It's a shame Richard Cordray doesn't understand how Republicans are already imposing that accountability."

### **Medicaid Officials Detail Safeguards For Managed Care Expansion**

Managed care plans and the Ohio Department of Medicaid said Thursday they're ready for the scheduled July 1 carve-in of behavioral health services, although the agency said it has contingency plans in place to alleviate potential problems.

One point of concern for the Joint Medicaid Oversight Committee was one plan's recent struggles meeting the state's prompt pay standards, problems that plans said were not tied to behavioral health.

The move to managed care is the second step in the behavioral health redesign process, and administration officials also argued before JMOC that the first stage - new billing codes - is starting to turn the corner. (*See separate story*)

Although Medicaid officials said they're confident the state's managed care plans will be ready to take on behavioral health services come July, they also detailed a series of safeguards designed to mitigate any issues. (ODM Presentation)

Those protections include a six-month period after the carve-in during which Medicaid members can use any provider for services regardless of who their managed care plan is, said Patrick Stephan, ODM's director of managed care. The period was initially three months but was extended to six months to include an open enrollment period in which members can change managed care plans if they choose.

"Any provider providing services to somebody in the new system will be paid by the managed care plans, no questions asked," Mr. Stephan said.

After that period, providers and plans will still be able to work out single-case agreements if the provider isn't in a plan's network, he said.

Another safeguard is that plans will have to follow the Medicaid program's fee-for-service coverage policies and payment rates through June 30, 2019.

ODM will also develop a post-implementation task force including managed care plans, providers and groups representing providers to identify issues and address them, Mr. Stephan said.

The department will also offer a contingency plan for providers who face problems with billing, similar to a contingency plan offered during the first stage of the redesign, he said. Plans would make a monthly payment for July, August, September and October for providers serving their members equal to 54.6% of the provider's average monthly Medicaid reimbursement in 2016.

Representatives of the five managed care plans told the committee they were each prepared to handle the change in services.

"Improvements for behavioral health in Medicaid will occur July 1 due to managed care carve-in," said Buckeye Health Plan President and CEO Bruce Hill. "Buckeye and the other Medicaid plans have been working closely with our providers for months to ensure a smooth transition."

One managed care organization that JMOC members questioned extensively was CareSource, which is working with ODM to resolve failures to meet the program's prompt pay standards in the second half of 2017.

JMOC Chairman Sen. Dave Burke (R-Marysville) asked CareSource to provide its plan of action for resolving prompt pay issues to the committee in the next week.

CareSource Ohio President Steve Ringel said the company would comply and had experienced no problems with prompt pay in behavioral health. He told Rep. Nickie Antonio (D-Lakewood) that the problems stemmed from having insufficient staff, and that they largely occurred in primary care. The plan has offered cash advances where there are significant issues with specific providers, he said.

Rep. Antonio asked ODM officials about the remediation process for prompt pay failures.

When the department identifies problems with a plan, it works with them to identify issues and develop a solution to bring them back into compliance, Mr. Stephan said.

Rep. Mark Romanchuk (R-Mansfield) questioned why it has taken several months for ODM to act on CareSource's issues.

"To me, eight months is a long time, so I would encourage the department to potentially move these triggers up, so we're not six, seven, eight months down the road when we're finally acting in a manner that facilitates change," he said.

Mr. Stephan said both the plan and ODM have taken the issue seriously and are working on solutions. He also said they have considered changing the requirements, which currently mandate plans pay 90% of claims within 30 days and 99% within 90 days.

"Through the balance of this process, it is a topic that we are looking into," he said.

### **Administration Points To Improvements In Behavioral Health Redesign Payments**

State Medicaid officials argued Thursday that the first step in the behavioral health redesign process, a move to new billing codes, is beginning to stabilize after some initial uncertainty.

The administration used data covering the first three months of the year to tell members of the Joint Medicaid Oversight Committee that billing problems are being resolved and that the new system is, in many cases, paying providers more quickly and efficiently than before.

The comments come in response to a survey released last month by the Ohio Council of Behavioral Health & Family Service Providers that found many members were receiving



significantly less in overall payments from Medicaid. (See Gongwer Ohio Report, April 19, 2018)

Greg Moody, director of the Governor's Office of Health Transformation, said that survey, which covered 80% of the council's members, represents about a quarter of providers affected by the behavioral health redesign. (ODM Presentation)

While payments for claims in February were down 20% compared to the previous February, those numbers in January and March were close to the same, with total payments in the first quarter of 2018 down about 7% compared to the same period in 2017, Director Moody said.

When looking at denial rates of claims, Mr. Moody said the 18% denial rate in March was down compared to 28% seen in January, showing providers are working out problems with the new system.

That rate, above the typical denial rate of about 11%, also is inflated because the new coding system is disqualifying claims that previously might otherwise have been paid by Medicaid, including claims that should be paid by other payers, he said. When those claims are eliminated, the denial rate drops to 11% in March and 15% for the first quarter overall, he said.

Many of the denials - about 41% - are coming from 26 providers, which account for 6% of the total number, he said. When they are removed, the denial rate for March drops to 5%. Mr. Moody also pointed out that hospitals, which have more experience with the code sets and the system, experienced a denial rate of 1% for the quarter.

"Many of the early concerns with redesign are being addressed as we look at actual system performance," he said.

Sen. Bill Coley (R-Liberty Twp.) cited a drop in total behavioral health spending in April, which was not included in Mr. Moody's presentation.

April's spending is affected by a one-week payment delay for the month for all providers in the Medicaid program to keep the program's budget balanced, Mr. Moody said.

"A significant portion of the reduction in April is unrelated to redesign, it's related to a one-week delay in payment," he said.

The council's survey was conducted "at the point of maximum consternation" with the new process, Mr. Moody said.

"Everything in the council survey are things that we flagged to monitor and track because they could be signals of something going wrong," he said.

Sen. Coley said the fact that overall spending in behavioral health remains below last year's total continues to raise red flags.

"From a budgeting standpoint, their concerns are not as overblown as we thought," he said.

Rep. Emilia Sykes (D-Akron) asked how much providers are being told about why a certain claim was denied.

"What does that look like moving forward so these folks can actually get what they need and we can actually find out whether this is why they're losing that funding?" she asked.

Medicaid Director Barbara Sears said providers are given codes explaining why a claim was denied, and that with larger denials, the department will reach out to providers to explain.

"I can't have my folks explaining how to bill Medicare or a third party, but what I can tell you is that now that we have moved to a national code set, it's easier for them to bill those services," she said.

The administration's comments didn't quell the Ohio Council's concerns about the plan to move ahead with the next step of the behavioral health redesign. CEO Lori Criss also pointed to prompt payment issues with one managed care plans as raising questions about the planned July 1 managed care carve-in. (*See separate story*)

"Today's discussion at JMOC reinforced that the state, managed care plans, and... providers are not yet showing full signs of readiness for a July 1 move to managed care, especially with fewer than 8% of providers shown as being in a position to serve the same capacity that they served last year at this time," she said in an email.

"It's stunning to think that the administration can declare readiness when at the same time revealing that the Ohio Department of Medicaid has known for months but not shared that CareSource, which covers over 50% of Ohioans on Medicaid Managed Care, has violated their timely payment requirements."

Prompted by the council's survey, one Democratic lawmaker also announced Thursday that he would ask ODM to delay the planned carve-in by six months.

"Logistical issues during the rollout of the redesign plan have wreaked havoc on our healthcare providers, threatening care and forcing many to eliminate staff and essential services," Rep. Thomas West (D-Canton) said in a statement. "This is especially troublesome at a time when we continue to battle our worst-in-the-nation opioid crisis. Extending Phase I by six months will allow us to iron out the issues and refocus our efforts on what truly matters-delivering quality, affordable healthcare to Ohio families."

### **Retirement Study Council Approves 2019 Budget**

The Ohio Retirement Study Council will see a slight spending increase under a budget approved by members Thursday.

The panel signed off on the \$781,800 budget request with little discussion after council Director Bethany Rhodes walked members through an overview. The annual increase is just above 1%, or \$8,450. The council receives no legislative appropriations and is funded through the plans' investment earnings.

The School Employees Retirement and the State Teachers Retirement systems also presented current drafts of their own budget proposals. Rising insurance costs, additional staff training expenses and increasing bank fees appear to be the common themes. (Committee Documents)

Rep. Rick Carfagna (R-Westerville) applauded the ORSC's budget for zeroing out a line item previously put aside for communication products like phones and internet.

Ms. Rhodes explained that because the council relocated to a state office building, it no longer needs to rely on a private vendor for those services. She said, however, that the line item would remain in the budget in case the council should relocate at some point in the future.

Ms. Rhodes said she was also successful in following through on members' prior instructions to attempt to extend the contract of the council's two actuaries - PTA/KMS and RVK - which were to expire in August. She said both agreed to extend the contracts another five years at the current rate.

**Other systems:** Representatives of the School Employees Retirement System and State Teachers Retirement System shared their own budget projections with the council, although SERS CFO Tracy Valentino said that system's proposal is still a work-in-progress and will likely be lower when it returns for council consideration.

SERS' proposed operating budget increased 4.3% over the current year, partly attributable to a 4.7% increase in personnel costs and a 5.5% increase in health insurance. All told, the total budget clocks in at just more than \$34 million - up from \$32.9 million the year prior.

Member Thomas Pascarella questioned Ms. Valentino on the increase in banking fees the system has seen. She replied that as the assets grow, so too do the custodial and related fees.

STRS CFO Paul Snyder said the system is eyeing a 2.2% increase - up from \$99.9 million to \$102 million - for its 2019 budget. He said the system has trimmed six full-time equivalent positions thanks to online efficiencies and teacher retirements - a fact Sen. Steve Wilson (R-Maineville) praised.

**Recommendations:** Senior Research Associate Jeff Bernard outlined staff's recommendation to remove a provision in the Ohio Revised Code requiring Highway Patrol Retirement System to conduct an annual adequacy contribution rate report.

Those reports, Mr. Bernard suggested, are duplicative and costly. The council, he noted, would still have the ability to request such a report if the change were adopted. System Executive Director Mark Atkeson said he supports the proposal.

Rep. Kirk Schuring (R-Canton) said the issue will be discussed at the group's next meeting along with whether similar requirements for other systems should likewise be eliminated.

The council also voted to recommend lawmakers modify maximum statutory penalties for systems failing to transmit either employee or employer contributions.

### **State Offers Guidance On Mental Health, Firearms; Chronic Pain Rule Available For Comment...**

The Department of Mental Health & Addiction Services issued guidance this week to help mental health practitioners with questions surrounding mental illness and firearms.

The memo comes as the debate over firearms and particularly mass shootings continues at the state and federal level.

ODMHAS Medical Director Dr. Mark Hurst wrote to providers that the discussion demonstrates the important role they play in the conversation and in the prevention of violence.

Statistics show a relatively small number of violent acts directed toward others are committed by people with mental illness, and that people with mental illness are much more likely to use firearms to take their own lives, he wrote.

"When individuals with certain mental illnesses are actively experiencing symptoms, they may be impulsive, misperceive reality and have impaired judgment. If firearms are available, the risk to themselves and others increases markedly," he wrote.

"Health care providers have no duty more important than to maintain the wellness and safety of patients, families and the communities where they reside. This duty is accomplished by providing effective treatment for psychiatric disorders and substance use problems, as well as remembering our duty to address the risk that exists from access to firearms for those under mental health treatment."

Dr. Hurst recommended patients and their families be advised of the risks posed by firearm access, and the importance of mitigating them. He also stressed the importance of ensuring relevant documents are submitted to the Bureau of Criminal Investigation in the case of an involuntary commitment.

"While our clinical interventions alone will not eliminate all firearm-related injuries and deaths, they most certainly eliminate some of them," he wrote. "Even one life saved is worth it."

**Chronic Pain Rules:** The Ohio State Dental Board posted draft rules of proposed new regulations on the prescribing of opioid medications for chronic and subacute pain.

The proposed rules were announced last week by Gov. John Kasich and medical professional boards. They create a framework of checkpoints for prescribers when authorizing progressively stronger doses of opioid pain relievers. (See Gongwer Ohio Report, May 2, 2018)

Comments on the rules can be sent to the dental board via email with the rule number in the subject line, and with the Common Sense Initiative copied on the email. Comments will be accepted through Friday, May 18.

The board also expects to hold a public hearing on the rule in July.

**Medicaid Waivers:** A report by Policy Matters Ohio questioned research cited by federal health care regulators in supporting Medicaid waivers imposing work requirements on certain members.

PMO claimed the Centers for Medicare and Medicaid Services misstated or misinterpreted the findings of various academic studies in justifying a move toward additional work requirements for Medicaid members.

"Medicaid's mission is to improve the health of Americans struggling to make ends meet," Wendy Patton, PMO senior project director, said in a statement. "Good health is a precondition for work, not a reward for it. Nothing in academic literature justifies CMS's plan. In fact, in many cases, the research shows why this policy is flawed."

#### **Agency Briefs: AG Approves Petition For Legalized Pot Issue; Arts Council Gets Nearly \$1 Million NEA Grant; Auditor; ODA; DAS**

A resubmitted petition summary for a ballot issue to legalize marijuana in Ohio was approved Thursday by Attorney General Mike DeWine.

Backers of the proposed constitutional amendment, titled "Marijuana Rights and Regulations," will be cleared to begin collecting signatures after the Ohio Ballot Board determines whether the language requires a single or multiple issues.

Mr. DeWine's office determined that, unlike the committee's first attempt, the new petition summary represented "a fair and truthful statement of the proposed law."

Under the proposed amendment, which also prescribes how governments can restrict the use of marijuana in ways similar to alcohol-related laws, a new Ohio Constitution section would "endow the Rights of persons in Ohio age 21 and older to possess, cultivate, process, use, transport, sell, purchase and share marijuana in Ohio...."

**Ohio Arts Council:** For the ninth consecutive year, OAC is celebrating the award of the second-largest partnership agreement grant from the National Endowment for the Arts.

The \$995,800 received to help support arts initiatives throughout the state tops the amount granted to larger states such as Texas, Florida, New York, Illinois and Pennsylvania, OAC reported. (Details)

"Ohio has a long tradition of securing nearly \$1 million annually through the State and Regional Partnership Agreement program from the National Endowment for the Arts. We are proud to receive the largest award in the Midwest and the second largest award in the nation, OAC Executive Director Donna S. Collins said in a statement.

"Every dollar we earn from the NEA is invested in the arts statewide through our grantees. The federal investment in the arts in Ohio is important, not just the Ohio Arts Council grant award, but the 16 grants given this cycle in a variety of categories to arts organizations across Ohio."

**State Auditor:** Dave Yost has placed the Village of Bridgeport in Belmont County on the state's "unauditable" list due to a lack of documentation.

"During the course of the regular financial audit of the Village of Bridgeport for the period Jan. 1, 2016, through Dec. 31, 2017, the Auditor of State's office determined that the condition of the village's financial records was not adequate to complete the audit," his office reported. In a letter to the village, the Auditor's office provided a list of information required to complete the audit.

"Complete financial records shine a light on local governments," Auditor Yost said in a release. "Taxpayers should not be left in the dark on how their dollars are being spent."

The village has 90 days to respond to the letter by revising its financial records and providing the required data. Failure to do so could result in legal action.

In a separate release, Mr. Yost announced that Nicholas Szabo, the former city auditor of London in Madison County, pleaded guilty to theft in office "for his failure to reimburse the city for his health insurance costs and for an unauthorized pay increase for a fellow employee."

Mr. Szabo resigned in December. The auditor said he will be sentenced on the fourth-degree felony violation on June 7.

Mr. Yost also announced this week that a special audit of Mt. Sterling was recognized by the National State Auditors Association with an Excellence in Accountability Award.

"The award recognizes the office's work in uncovering extensive corruption and almost \$1 million in illegal spending at the small Madison County village," his office reported. "The special audit was instrumental in securing the convictions of four administrators

and employees, including former Mayor Charles Neff and former Village Administrator Joseph Johnson."

"The exemplary professionals of my office continually get results - and justice - for Ohio's taxpayers," Auditor Yost said. "This recognition from their peers is evidence of the first-rate work rooted in every audit and investigation they perform."

**Department of Agriculture:** The agency reported Thursday that an invasive species of hemlock-killing insects had been discovered in Adams County.

The hemlock woolly adelgid, an aphid-like Asian insect first reported in the U.S. in 1951, has devastated the trees in areas along the Appalachian Mountains and has been detected in 20 states.

The infestation in Adams County was discovered through the survey work being conducted by the ODNR Division of Forestry in Shawnee State Forest. The bugs were first detected in a forested setting in Ohio in Meigs County in 2012, the agency reported.

"At this time, ODA will move to expand its hemlock quarantine, enforced by ODA's Plant Health division, to include Adams County," ODA reported. "Ohio quarantine regulations restrict the movement of hemlock materials from areas known to be infested with HWA into non-infested Ohio counties. Ohio's quarantine law also requires hemlock materials to be inspected and officially certified before being shipped, verifying that the plant material is free of HWA when entering Ohio."

The agency separately announced that aerial treatments designed to control the gypsy moth population would begin soon in 54 acres in Franklin County. The treatments are administered using a low-flying aircraft and will likely take place during early morning hours, ODA said.

The department said it will use Foray (Btk), a naturally occurring bacterium found in the soil that interferes with the caterpillars' feeding cycles, adding that the substance is not toxic to humans, pets, birds or fish.

**Administrative Services:** The state will hold next miscellaneous surplus property auction on Saturday at the DAS General Services Division headquarters, 4200 Surface Rd. in Columbus.

Scaffolding and a Delta RS-15 shaper are among the unique items being sold at the auction, which also features "a wide variety of computer equipment (e.g., laptops, monitors and printers) and electronic appliances (e.g., copiers, digital cameras, DVD players, audio and video equipment and mobile radios).

Doors open at 8 a.m. and the auction begins at 9 a.m. More details are available on the DAS website.

## **Governor's Appointments**

**State Dental Board:** Andrew W. Zucker, DDS of Sandusky for a term beginning May 10, 2018, and ending April 6, 2022 and Canise Y. Bean, DMD, MPH of Columbus and Faisal A. Quereshy, MD, DDS of Richfield for terms beginning May 10, 2018, and ending April 6, 2022.

**University of Akron Board of Trustees:** Cindy P. Crotty of Cleveland Heights has been appointed to the for a term beginning May 10, 2018, and ending July 1, 2026.

### **Gongwer Statehouse Job Market Updated**

Gongwer's Statehouse Job Market has been updated. The update is available on the Gongwer website.

Subscribers interested in posting job openings on Gongwer's employment board can send job descriptions and other information to [gongwer@gongwer-oh.com](mailto:gongwer@gongwer-oh.com).

### **Supplemental Agency Calendar**

**Monday, May 14**

State Board of Education, 25 S. Front St., Columbus, 8:30 a.m.

**Tuesday, May 15**

State Board of Education, 25 S. Front St., Columbus, 8:30 a.m.

**Wednesday, May 16**

Public Utilities Commission of Ohio, 180 E. Broad St., 11th Fl., Columbus, 1:30 p.m.

**Thursday, May 17**

Aerospace & Aviation Technology Committee, Rm. 017, Statehouse, Columbus, 1:30 p.m.

17 S. High St., Suite 630

Columbus Ohio 43215

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Click the  after a bill number to create a saved search and email alert for that bill.

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## **Daily Activity Planner for Friday, May 11**

### **Legislative Committees**

No legislative committees scheduled.

### **Agency Calendar**

Small Government Capital Improvements Commission, OWDA offices, 480 S. High St., Columbus, 10:30 a.m.

### **Event Planner**

YMCA Youth & Government Model United Nations, Statehouse, Columbus

17 S. High St., Suite 630

Columbus Ohio 43215

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## **Legislative Committee Schedules beginning 5/11/2018**

**Monday, May 14**

Joint Committee on Agency Rule Review (Committee Record) (Chr. Uecker, J., 644-6030), Senate Finance Hearing Rm., 1:30 p.m.

**Tuesday, May 15**

Senate Insurance & Financial Institutions (Committee Record) (Chr. Hottinger, J., 466-5838), Finance Hearing Rm., 9:30 a.m.

- SB 275** **NURSE ANESTHETISTS** (Burke, D.) Regarding the authority of certified registered nurse anesthetists to administer drugs in addition to anesthesia and to select and order certain other drugs. (1st Hearing-Sponsor)
- SB 247** **PERS HEALTH CARE** (Dolan, M.) To require the Public Employees Retirement System to permit certain spouses of retired or deceased members to continue receiving allowances to pay for health care expenses under the System's group health care plans. (1st Hearing-Sponsor)
- SB 263** **NOTARY PUBLIC** (Huffman, M., Wilson, S.) To enact the Notary Public Modernization Act. (3rd Hearing-All testimony-Possible amendments & vote)
- SB 265** **PHARMACY SERVICES** (Dolan, M.) To permit certain health insurers to provide payment or reimbursement for services lawfully provided by a pharmacist and to recognize pharmacist services in certain other laws. (2nd Hearing-Proponent)
- SB 273** **RATING AGENCIES** (Hackett, B.) To enact for the Revised Code a definition of the term "rating agency." (2nd Hearing-Proponent)
- Senate Finance (Committee Record) (Chr. Oelslager, S., 466-0626), Finance Hearing Rm., 2:30 p.m.
- Confirmation hearing on governor's appointments of John Adams, CFA, Ohio Higher Educational Facility Commission; Rachel Bankowitz and Donald Brogan, RA, Ohio Historic Site Preservation Advisory Board; Charles Bills, Owens State Community College Board of Trustees; Thomas Carroll, Housing Trust Fund Advisory Committee; Rachel Cummings, Southern State Community College Board of Trustees; Matthew Davis, Ohio Business Gateway Steering Committee; Terrence Fergus, Cleveland State University Board of Trustees; Charles George, Youngstown State University Board of Trustees; Matthew Kirby, CFP, Ohio Tuition Trust Authority; Gary Lindgren and David Scholl, Third Frontier Commission; Austin McClain, Ohio University Board of Trustees; Jill Neff and Joshua Smith, Rio Grande Community College Board of Trustees and Rick Ritzler, Columbus State Community College Board of Trustees
- SB 296** **LAW ENFORCEMENT BENEFITS** (LaRose, F., Hottinger, J.) To revise the payments that surviving family members receive from the Ohio Public Safety Officers Death Benefit Fund and to permit surviving spouses and children to participate in the health, dental, and vision benefits offered to state employees as if the survivors were employees of this state. (1st Hearing-Sponsor)
- HB 318** **SCHOOL RESOURCE OFFICERS** (Patterson, J., LaTourette, S.) To define the necessary qualifications and responsibilities of school resource officers, to require the

- Facilities Construction Commission to study and report on school building security upgrades and to make an appropriation. (1st Hearing-Sponsor)
- SB 299** **WATER IMPROVEMENTS (Gardner, R., O'Brien, S.)** To allow equipment for the protection and preservation of Lake Erie to be purchased with proceeds from the Parks and Recreation Improvement Fund, and to appropriate funds for projects enhancing water quality in the Western Lake Erie Basin. (1st Hearing-Sponsor & proponent)
- HB 353** **UNCLAIMED FUNDS (Reineke, B.)** To exempt certain open-loop prepaid cards, closed-loop prepaid cards, and rewards cards from the Unclaimed Funds Law. (3rd Hearing-Opponent)
- SB 246** **STUDENT REMOVAL (Lehner, P., Manning, G.)** To enact the "SAFE Act" to revise the procedures for emergency removal of a student, to prohibit certain suspensions and expulsions of students in grades pre-kindergarten through three, to require each public school to implement a positive behavior intervention and supports framework in accordance with state standards, and to make an appropriation. (4th Hearing-All testimony-Possible amendments)
- House Federalism & Interstate Relations (Committee Record) (Chr. Roegner, K., 466-1177), Rm. 115, 4 p.m.
- HB 580** **GRANT APPLICATIONS (Thompson, A.)** To establish procedures that executive agencies must follow when applying for grants, to require the Governor to approve any major grant application, and to permit the Governor to disapprove any minor grant application. (1st Hearing-Sponsor)
- HCR 26** **JERUSALEM (Faber, K., Keller, C.)** To recognize Jerusalem as the capital of the State of Israel. (1st Hearing-Sponsor)
- HB 228** **GUN LAWS (Johnson, T., LaTourette, S.)** To assign to the prosecution the burden of disproving a self-defense or related claim, to expand the locations at which a person has no duty to retreat before using force under both civil and criminal law, and to modify the Concealed Handgun Licensing Law regarding a licensee's duty to keep the licensee's hands in plain sight, the penalties for illegally carrying a concealed firearm or improperly handling firearms in a motor vehicle, and the posting of warning signs regarding the possession of weapons on specified premises. (6th Hearing-All testimony)
- HB 85** **HEALTH CARE COMPACT (Retherford, W.)** To enter into the Health Care Compact. (2nd Hearing-All testimony-Possible vote)
- House Education & Career Readiness (Committee Record) (Chr. Brenner, A., 644-6711), Rm. 121, 4 p.m.
- HB 544** **SCHOOL SAFETY STANDARDS (Rogers, J., Perales, R.)** To require the State Board of Education to adopt rules prescribing standards for safety enhancements to new public and nonpublic school facilities and to require the Ohio Facilities Construction Commission to revise its construction and design standards to comply with the State Board's standards. (1st Hearing-Sponsor)

- SB 216** **SCHOOL REGULATIONS** (Huffman, M.) To enact the "Ohio Public School Deregulation Act" regarding the administration of preschool and primary and secondary education programs. (1st Hearing-Sponsor)
- HB 517** **MONTH DESIGNATION** (Schaffer, T., Leland, D.) To designate the month of October as "Ohio Principals Month." (2nd Hearing-All testimony-Possible amendments & vote)
- HB 540** **TEACHER EVALUATIONS** (Gavarone, T., Manning, N.) With regard to teacher evaluations. (3rd Hearing-All testimony-Possible amendments & vote)
- HB 591** **SCHOOL REPORT CARDS** (Duffey, M.) To revise the state report card rating system for school districts and public schools. (1st Hearing-Sponsor & proponent-Possible substitute-Pending referral)
- Senate Agriculture (Committee Record) (Chr. Hackett, B., 466-3780), South Hearing Rm., 4 p.m.
- HB 392** **APIARY DAMAGES** (Stein, D.) To grant specified apiary owners immunity in personal injury or property damage cases involving bee stings. (2nd Hearing-Proponent)
- HB 506** **DOG BREEDERS** (Hill, B.) To revise the law governing high volume dog breeders. (2nd Hearing-Proponent-Possible amendments)

### Wednesday, May 16

House Finance (Committee Record) (Chr. Smith, R., 466-1366), Rm. 313, 9 a.m.

- SB 135** **VOTING EQUIPMENT** (LaRose, F.) To make supplemental operating appropriations for the FY 2018-FY 2019 biennium and supplemental capital appropriations for the FY 2017-FY 2018 biennium to implement a voting machine and equipment acquisition program. (1st Hearing-Sponsor & proponent-Pending referral)
- Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11:15 a.m.
- House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1:30 p.m.
- Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m.
- Senate Transportation, Commerce & Workforce (Committee Record) (Chr. LaRose, F., 466-4823), North Hearing Rm., 3 p.m. or after session
- Confirmation hearing on governor's appointments of Timothy Staup, Motor Vehicle Salvage Dealers Licensing Board and Norman Lane, State Fire Council

- SB 293** **ADMINISTRATIVE REGULATIONS** (Peterson, B., McColley, R.) To require agencies to reduce the number of regulatory restrictions. (1st Hearing-Sponsor)
- SB 295** **ROAD NAMING** (Hottinger, J.) To designate a portion of State Route 93 in Tuscarawas County as the "PFC Oscar F. Nicewander Memorial Highway" and a portion of State Route 520 in Holmes County as the "Cpl. Jerry Robert Spittler Memorial Highway." (1st Hearing-Sponsor)
- Senate Education (Committee Record) (Chr. Lehner, P., 466-4538), South Hearing Rm., 3:15 p.m. or after session

- HB 360** **BULLYING** (Greenspan, D.) To enact the "Ohio Anti-Bullying and Hazing Act" with regard to school discipline and bullying and hazing policies at public schools and public colleges. (1st Hearing-Sponsor)

- HB 87** **COMMUNITY SCHOOLS** (Roegner, K.) Regarding public moneys returned to the state as a result of a finding for recovery issued pursuant to an audit of a community school. (2nd Hearing-Proponent)
- HB 438** **ESC BOARDS** (Hambley, S., Kick, D.) To permit the addition of appointed members to educational service center boards, to permit a local school district to sever its territory from one educational service center and annex that territory to an adjacent service center under specified conditions, and to authorize educational service centers to establish local professional development committees. (2nd Hearing-All testimony-Possible amendments & vote)
- HB 21** **COMMUNITY SCHOOLS** (Hambley, S.) Regarding verification of community school enrollments. (5th Hearing-All testimony-Possible amendments & vote)  
House Aging & Long Term Care (Committee Record) (Chr. Arndt, S., 644-6011), Rm. 113, 3:30 p.m. or after session
- HB 527** **VISITATION RIGHTS** (LaTourette, S.) To allow certain specified persons to petition the probate court for reasonable visitation with an incompetent or ward if visitation between the person and the incompetent or ward has been interfered with or denied. (1st Hearing-Sponsor)
- HB 572** **RETIREMENT CREDIT** (Scherer, G., Howse, S.) Regarding Public Employees Retirement System service credit for services as a nonteaching school employee of a county board of developmental disabilities. (1st Hearing-Sponsor)
- SB 158** **ELDER FRAUD** (Wilson, S.) To develop best practices and educational opportunities to combat elder fraud and exploitation and to fine and require full restitution from offenders who are found guilty of certain fraud-related crimes against the elderly. (1st Hearing-Sponsor)

## Thursday, May 17

Joint Ohio College Affordability Committee (Chr. Wilson, S., 466-9739), Senate Finance Hearing Rm., 10 a.m.

- Presentation from Chancellor John Carey on past and current initiatives to reduce the cost of college education
- ~~Canceled: House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1 p.m.~~

- If needed

## Tuesday, May 22

Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11 a.m.

- If needed
- Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m.
- If needed

## Wednesday, May 23


Joint Education Oversight Committee (Committee Record) (Chr. Manning, G., 466-8150), North Hearing Rm., 8:30 a.m.

- Presentation by State Superintendent Paolo DeMaria and update on progress of other research projects (tentative)
- Senate Rules & Reference (Committee Record) (Chr. Obhof, L., 466-7505), Majority Conf. Rm., 11 a.m.

House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1:30 p.m.  
Senate Session (Committee Record) (Chr. Obhof, L., 466-4900), Senate Chamber, 1:30 p.m.

**Thursday, May 24**

House Session (Committee Record) (Chr. Schuring, K., 466-3357), House Chamber, 1 p.m.

**NOTE:** Click bill or resolution number links to see the legislative history compiled by Gongwer News Service. Click the  after a bill number to create a saved search and email alert for that bill. Click "Full Text" if present to view the text of legislation on the Legislature's Web site.

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**From:** Thomas, AJ  
**Sent:** Friday, May 11, 2018 11:50 AM  
**To:** Thomas, AJ  
**Subject:** Deconstructing the Administrative State Luncheon  
**Attachments:** Deconstructing Admin State Lunch Invite.pdf

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

A wise man once said, "There is no such thing as a free lunch," but he was wrong!

On Wednesday May 23<sup>rd</sup> there will be a panel discussion of HB580 featuring the American Principles Project's Erin Tuttle, Greg Lawson of The Buckeye Institute, and Micah Derry of Americans for Prosperity. It will be moderated by Representative Andy Thompson. There will also be a free lunch provided by the parties in question.

House Bill 580, adds oversight and transparency to Ohio executive agencies' applications for federal grants, in an effort to control the rise of the administrative state. The discussion will include how the bureaucracy of our federal and state governments has grown over time, and how this administrative growth has specifically hurt the State of Ohio through federal grants and mandates. We will discuss how HB580 will help address the problem we have with a rising-administrative state, and institute oversight via the executive branch.

WHERE: 31<sup>st</sup> Fl. North Room

WHEN: Wednesday May 23<sup>rd</sup> from 11:00-12:15

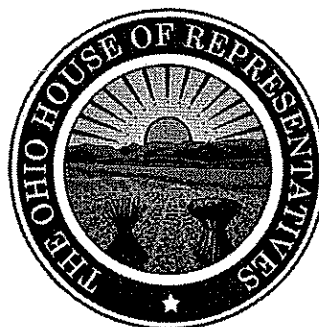
WHO: All Members and Staff are invited

Please RSVP to AJ Thomas ([AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)) by Friday May 18<sup>th</sup> so we may have a count for lunch.

We hope to see you there!

*Andrew M. Thompson*

Andy Thompson  
State Representative  
House District 95



Subj: Deconstructing the Administrative State Panel Discussion and Luncheon

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

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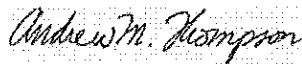
WHERE: 31<sup>st</sup> Fl. North Room

WHEN: Wednesday May 23<sup>rd</sup> from 11:00-12:15

WHO: All Members and Staff are invited

Please RSVP to AJ Thomas ([AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)) by Friday May 18<sup>th</sup> so we may have a count for lunch.

We hope to see you there!



Andy Thompson  
State Representative  
House District 95



THE BUCKEYE INSTITUTE





**From:** Thomas, AJ  
**Sent:** Friday, May 11, 2018 11:50 AM  
**To:** Thomas, AJ  
**Subject:** Deconstructing the Administrative State Luncheon  
**Attachments:** Deconstructing Admin State Lunch Invite.pdf

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

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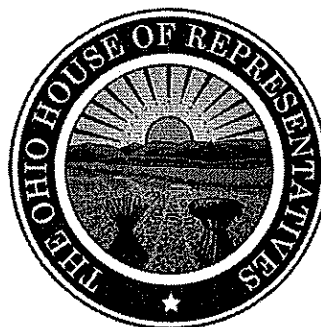
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*Andrew M. Thompson*

Andy Thompson  
State Representative  
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Subj: Deconstructing the Administrative State Panel Discussion and Luncheon

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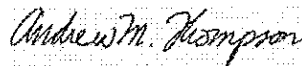
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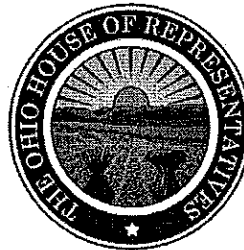
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State Representative  
House District 95



THE BUCKEYE INSTITUTE



**From:** Rep93  
**Sent:** Friday, May 11, 2018 1:07 PM  
**To:** Snider, Grace  
**Subject:** FW: Right to Work Legislation Meeting Request

-----Original Message-----

From: ben@remingtonroadgroup.com <ben@remingtonroadgroup.com>  
Sent: Friday, May 11, 2018 11:55 AM  
To: Rep93 <Rep93@ohiohouse.gov>  
Subject: Right to Work Legislation Meeting Request

First Name : Alexis

Last Name : Oberdorf

Address : 1897 N 4th St

City : Columbus

State : OH

Zip : 43201

Phone : 567.218.8886

Email : ben@remingtonroadgroup.com

Subject :  
Right to Work Legislation Meeting Request

Message :  
Hello,

My name is Alexis Oberdorf, and I am emailing on behalf of We Are Ohio, which currently is focusing on Right to Work legislation in Ohio. I would like to find a time in the next few weeks to set up a meeting between some of our members and Representative Smith, preferably in his home district.

The meeting would consist of 3-5 constituents coming to speak on behalf of We are Ohio. The setting should be public preferably (like a public library) but the meeting itself will be private. We are flexible both on meeting time and location! If you could get back to us with some potential dates, we'd be thrilled to move forward with the rest of the details.

We look forward to hearing from Representative Smith soon.

Best,

Alexis Oberdorf

**From:** Max.Behlke@ncsl.org  
**Sent:** Monday, May 14, 2018 6:38 PM  
**To:** Snider, Grace  
**Subject:** Cap to Cap: SCOTUS: States Can Legalize Sports Betting

= A



**CapitoltoCapitol**

NATIONAL CONFERENCE of STATE LEGISLATURES



May 14, 2018

*In this issue...*

**SCOTUS: States Can Legalize Sports Betting**

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**House to Vote Wednesday on Farm Bill**

**House Approves 2018 FAA Reauthorization Act**

**Net Neutrality Vote This Wednesday**

**Secretary DeVos Approves the ESSA Plans of South Carolina, Virginia, Alabama, Colorado and Kentucky**

**Tennessee Department of Education Awaiting ESSA Compliance Ruling**

**First Lady Melania Trump Unveils "Be Best"**

**New Leadership and Opportunity to Address Student Homelessness**

## **SCOTUS: States Can Legalize Sports Betting**

The U.S. Supreme Court ruled in favor of the states and struck down a 25-year-old federal law known as the Professional and Amateur Sports Protection Act (PASPA). Earlier today, the court voted 6-3 in favor of the state of New Jersey in *Murphy v. National Collegiate Athletic Association*, formerly known as *Chris Christie v. NCAA*, declaring PASPA unconstitutional as violative of the 10th Amendment.

= A

NCSL, along with other national organizations that represent state and local officials, filed an *amicus brief* in support of New Jersey. NCSL released a statement applauding the Supreme Court ruling saying, "NCSL supports every state's right to regulate gaming and sports betting, including both legalization and prohibition, without unwarranted federal preemption and interference." New Jersey can now move forward with its plan to legalize wagering, while other states will have the opportunity to alter their existing bans to allow for sports betting.

**NCSL Contacts:** Ethan Wilson

## **White House Looks to Rescind \$15 Billion in Federal Spending**

This past week, the White House released proposed rescission cuts covering 38 different programs and totaling over \$15 billion. The administration released a statement saying, "At the direction of President Trump, the Office of Management and Budget has worked diligently to identify wasteful and unnecessary spending already approved by Congress." Now Congress has 45 days to consider the package, which also freezes the

proposed funding programs until a decision is made. Unlike regular spending bills, rescissions packages only require a simple majority in both chambers for passage.

What's in the rescission package?

- Nearly half of the rescission cuts come from two accounts related to child health care: a **\$5.1 billion cut to the Children's Health Insurance Program (CHIP)** and a **\$1.9 billion cut to the Child Enrollment Contingency Fund**. The cuts would include \$3.1 billion in unobligated CHIP funds from FY17, \$2 billion in recovery funds from the Medicare Access and CHIP Reauthorization Act of 2015, and \$1.865 billion from the \$2.4 billion available in the Child Enrollment Contingency Fund.
- **\$800 million cut to the Center for Medicare & Medicaid Innovation:** The cut would rescind funds authorized under the Affordable Care Act from fiscal years 2011-2019. The center was created to try new payment and service delivery models that could reduce expenditures under Medicare, Medicaid and the Children's Health Insurance Fund (CHIP). The administration has said these funds are more than the amounts that would be needed to carry out planned activities for FY2018 and FY2019.
- **\$4.3 billion from the Advanced Technology Vehicle Manufacturing Loan Program,** = Aan Energy Department program that supports the development of advanced technology vehicles and hasn't made a loan since 2011.
- Remaining rescissions come from a variety of government funds and grants across departments including railroad unemployment insurance programs, Ebola response account, Hurricane Sandy funds that states haven't claimed and more. Additional info can be [found here](#).

While rescission packages only require a simple majority, and are not subject to a Senate filibuster, there is a large amount of uncertainty that it will pass. While it is expected to easily coast through the House with Republican support, the Senate will be a different story. A number of Senate Republicans have already expressed their disinterest in the proposal and in order to pass, Republicans can't afford to lose a single vote while Arizona Senator John McCain is home recovering from a recent cancer treatment. Nonetheless, Congress can expect to see more rescission packages coming from the White House as they have stated that this is the first of many to come. A second rescission request in the coming weeks will attempt to claw back funding from the recently passed omnibus bill.

**NCSL Contacts:** [Max Behlke](#), [Jake Lestock](#)

## House to Vote Wednesday on Farm Bill

On Wednesday, the House will consider H.R. 2, the Agriculture & Nutrition Act of 2018 more commonly known as the House's 2018 Farm Bill. The bill reauthorizes several key agriculture and nutrition programs for five years, through fiscal year 2023. The Congressional Budget Office estimates \$867 billion in total farm bill spending, which includes nutrition, crop insurance, conservation and other farm programs. The bill contains 11 titles with the major themes and changes impacting states, which are detailed in NCSL's analysis of the legislation.

Wednesday's vote will be close, given that the legislation, as currently drafted, has been vocally criticized by House conservatives and House Democrats, albeit for different reasons. Members of the House Freedom Caucus, three dozen of the most conservative members of the House, as well as conservative groups, including Heritage Action and Americans for Prosperity, have criticized the farm subsidies as an unfair benefit to wealthy farms and large agricultural businesses. Democrats have overwhelmingly opposed the current legislation as it imposes new work requirements on five to seven million people who are enrolled in the Supplemental Nutrition Assistance Program (SNAP). Without Democratic support, several members of the Freedom Caucus will need to vote for the legislation for it to pass. Even if it passes, the House legislation is likely D.O.A. in the Senate, which is currently drafting its own Farm Bill.

On the other end of Pennsylvania Avenue, President Donald Trump has signaled that he will veto any legislation that does not impose stricter work requirements on SNAP recipients. However, the work requirements are the most controversial aspect of the legislation and it is unlikely that changes to the program will pass the Senate.

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NCSL's analysis of the House Farm Bill

**NCSL Contacts:** Abbie Gruwell (SNAP), Ben Husch (Agriculture)

DYK? Four states—Kentucky, Massachusetts, Pennsylvania, and Virginia—call themselves commonwealths. The distinction between a commonwealth and a state is in name only as there is no difference in their relationship to the nation as a whole.

So why are they called commonwealths? Mostly because of the preference of their founders. For example, in Massachusetts, the term commonwealth was preferred by a number of political writers in the years leading up to 1780, when the Massachusetts constitution officially designated the state as such. The preference is believed to have existed perhaps because there was "some anti-monarchial sentiment in using the word commonwealth."

### **House Approves 2018 FAA Reauthorization Act**

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On April 27, the House of Representatives approved, 393-13, H.R. 4, the Federal Aviation Administration (FAA) Reauthorization Act of 2018. The bill would reauthorize FAA programs and the federal aviation taxes that fund FAA programs and operations for five years through Sept. 30, 2023. The prior reauthorization expired in September 2015, which has resulted in five short-term extensions. For more detailed information on what the bill includes, see NCSL's Information Alert.

**NCSL Contacts:** Ben Husch, Kristen Hildreth

### **Net Neutrality Vote This Wednesday**

Senate Democrats filed a discharge petition last week in order to force a vote to save the Federal Communication Commission's (FCC) net neutrality rules from repeal. A discharge petition would use authority under the Congressional Review Act to nullify the FCC's vote this past December to roll back the rules. These rules explicitly banned blocking, throttling, and paid prioritization by internet providers, but were reversed by a new set of guidelines introduced by FCC Chairman Ajit Pai.

To pass, the resolution will need a simple majority in both chambers. The Senate will vote this Wednesday and the chances of receiving 51 votes looks promising. Although, the bill is said to be dead on arrival in the Republican-controlled House. While the resolution has little chance of becoming enacted, Democrats plan to make their support for net neutrality regulations a popular campaign issue in the upcoming midterm elections.

**NCSL Contact:** Danielle Dean



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## **Secretary DeVos Approves the ESSA Plans of South Carolina, Virginia, Alabama, Colorado and Kentucky**

As of May 11, the U.S. Department of Education announced the approval of South Carolina, Virginia, Alabama, Colorado and Kentucky's Every Student Succeeds Act (ESSA) state plans. Each state is tasked with developing an ESSA plan unique to the needs of their students. To date, 44 state and territory plans have now been approved. Education Secretary Betsy DeVos applauded the states and reiterated the need to "use these plans as a starting point, rather than a finish line, to improve outcomes for all students."

South Carolina's plan includes a total of nine ways a student's college and career readiness may be measured. The varied metrics enable students to take advantage of the world class knowledge and skills of the Profile of the South Carolina Graduate. South Carolina's plan also includes a student engagement survey, giving each respective student a voice in the accountability system. "South Carolina's ESSA plan embodies our vision that every graduate is prepared for success in college, career and citizenship," said South Carolina Superintendent of Education Molly Spearman.

Virginia's plan includes chronic absenteeism and the Standards of Accreditation Rating indicator as new methods to measure quality and student success. The approved ESSA plan also sets forth processes intended to support and improve the academic growth and English learner progress of identified schools. Virginia's ESSA plan "reflects the state's mission to increase student learning and academic achievement," said Virginia's Acting Superintendent of Public Instruction Steven M. Constantino.

Alabama's plan includes a framework to join with local education agencies to enhance early learning and improve alignment of early learning programs from birth through third grade. The approved plan also includes the creation of the Legislative School Performance Recognition Program, in which the state will use state-authorized assessments and key performance indicators to profile a school, school system or both entities.

Colorado's plan includes the creation of the ESSA Application for School Improvement, intended to provide schools identified for Comprehensive and Targeted Support and Improvement with access to services and funding that supports their unique needs. "We have used this process to re-engage with many of our schools, districts, and stakeholders across the state over the last two years to get feedback on the how our current system is working. The conversations were deep and very helpful to the department and other stakeholders as

we work collectively to leverage ESSA to improve outcomes for our highest need students in Colorado", says Colorado's Education Commissioner Kathy Anthes.

Kentucky's approved ESSA plan includes goal setting related to achievement gaps: cutting the achievement gap for each student group in half by 2030 and increasing the graduation rate for all students and each student group. The plan also acknowledges 2017-2018 as a transition year, in which performance on indicators will be used to determine low-performing schools and whether targeted support and improvement or comprehensive supported and improvement will be provided. Systems will be fully implemented during the 2018-2019 school year, leading up to one to five-star designation for a school or district. Schools that reflect noteworthy achievement gaps will not qualify for earning the highest ratings. "Schools and districts will be held to a higher level of accountability under this plan. Raising the bar is essential if Kentucky is to make the strides in student performance we intend to make," said Kentucky's interim Education Commissioner Wayne Lewis.

A complete list of state plans, both approved and pending.

**NCSL Contacts:** Joan Wodiska, Miranda McDonald

**DYK?** Just in time for the MLB All-Star Game at Nationals Park in Washington, D.C., this summer, the Library of Congress will feature an exhibition about the origins and history of baseball. The handwritten "Laws of Base Ball," which historians have called the "Magna Carta" of the game after they were decided at a convention in 1857, will be among the artifacts featured in the new exhibition "Baseball Americana" opening June 29 at the Library of Congress. The exhibition will explore baseball's past and present and how the game has forged a sense of community for players and fans across the country.

### **Tennessee Department of Education Awaiting ESSA Compliance Ruling**

The Tennessee Department of Education is awaiting to hear back from the US Department of Education regarding whether emergency legislation is in compliance with Every Student Succeeds Act standards, which require states to test students annually in grades 3 through 8 and once in high school. This year, the state test "TN Ready" was affected by online glitches, deeming the results unreliable. In response, the Tennessee State Legislature passed legislation aimed to assert that "no adverse action be taken against any student, teacher, school or district based on this year's TN Ready results."

Tennessee's Education Commissioner Candice McQueen, has maintained that the glitches were the result "deliberate attacks" on the systems of Questar Assessment—TDOE's computer systems vender. The state's ESSA plan was approved last August, in which TN Ready was included as a measurement of accountability standards.

**NCSL Contacts:** Joan Wodiska, Miranda McDonald

## **First Lady Melania Trump Unveils "Be Best"**

On May 7, first lady Melania Trump revealed her first initiative entitled Be Best, which seeks to promote well-being, positive social media behaviors and support families impacted by the opioid crisis. The well-being component of the initiative includes emphasis on healthy living, encouragement, kindness and respect through which adults may impact the futures of children. The initiative's focus on social media seeks to tackle cyberbullying and encourage children to "choose their words wisely and speak with compassion." The first lady's initiative also seeks to bring attention to the effects of opioid addiction. On the initiative, Mrs. Trump said: "It remains our generation's moral imperative to take responsibility and help our children manage the many issues they are facing today, including encouraging positive social, emotional and physical habits."

**NCSL Contacts:** [Joan Wodiska](#), [Miranda McDonald](#)

## **New Leadership and Opportunity to Address Student Homelessness**

Acting Assistant Secretary for Elementary and Secondary Education Jason Botel was recently elected Vice-Chair of the United States Interagency Council on Homelessness for 2018. "...we have new levers at our disposal to track and provide services for families and students experiencing homelessness through the Every Student Succeeds Act," Botel said. State legislators or staff working on student homelessness are encouraged to contact [Joan Wodiska](#). NCSL is working to identify state-led examples to inform the Council on Homelessness.

**Contacts:** [Joan Wodiska](#), [Miranda McDonald](#)

**DYK?** From Acoma Pueblo in New Mexico, whose 250 structures have been continuously inhabited since the 12th century, to the White Horse Tavern, a bar in Newport, Rhode Island, that opened its doors in 1673, America's buildings are as historic as they are diverse. [Check out this list](#) of the oldest building in every state compiled by Business Insider.

**The 2018 NCSL Legislative Summit begins July 30 – [Register Here](#)**

**[Read the April 30, 2018 Capitol-to-Capitol.](#)**

Like Capitol-to-Capitol? Have ideas or suggestions for how it can be improved? Please take two minutes to let us know in this [very short survey](#)!

We are always looking for interesting trivia about states, legislatures and American history. If you have some great facts, don't keep them to yourself. Let us know by clicking [here](#). We will likely include them in a future edition of Capitol to Capitol!

If you have comments or suggestions, please contact [Max Behlke](#).

[Read More](#)

*Capitol to Capitol is a publication of the National Conference of State Legislatures. NCSL is recognized as a formidable lobbying force in Washington, D.C. NCSL works to protect states from unfunded federal mandates and unwarranted federal pre-emption of state authority, and seeks to provide state legislatures the flexibility they need to innovate and be responsive to the unique needs of their residents. NCSL's advocacy is guided by the policy directives and resolutions adopted during NCSL's Legislative Summit.*

= A



© National Conference of State Legislatures

Denver: 303-364-7700

Washington: 202-624-5400

[Unsubscribe from these messages.](#)

7700 East First Place, Denver, CO 80230

**From:** Westlake, Libby  
**Sent:** Tuesday, May 15, 2018 8:56 AM  
**To:** Westlake, Libby  
**Subject:** E-Clips for 5/15/2018

## HOUSE E-CLIPS

5/15/2018



### **GOP GOV. KASICH TO SHARE OHIO PLAN TO HELP LEGAL IMMIGRANTS**

Ohio Gov. John Kasich is announcing an initiative aimed at helping legal immigrants successfully integrate in the state.

### **OHIO HOUSE GOP TO PICK NEW SPEAKER; LAST LEADER RESIGNED**

Republicans in the Ohio House are slated to vote on a new House speaker after the previous leader resigned amid an FBI inquiry surrounding his activities.



### **KASICH, DEWINE OPPOSE SPORTS BETTING; CORDRAY WOULD CONSIDER IT**

Can you imagine betting a few bucks — legally — on the Ohio State University football Buckeyes to cover the spread against That Team up North?

### **HUNDREDS GATHER AT STATEHOUSE TO MARK REBIRTH OF POOR PEOPLE'S CAMPAIGN**

Almost 50 years to the day after the original Poor People's Campaign marched on Washington, the current iteration of the movement descended on the Statehouse steps to call on the General Assembly to address the plight of the millions of people living in poverty.

### **HOUSE GOP DRAGGED INTO CONTENTIOUS TUESDAY SPEAKER VOTE**

The House speaker is one of the most powerful people in state government, and Ohio lawmakers are about to pick a new one in a rare mid-term replacement.

### **MANY STATE EMPLOYEES RECEIVE 8.7% RAISE OVER 3 YEARS**

Members of the state's largest employee union will receive a raise of more than 8 percent over three years in a contract ratified by the Ohio Civil Service Employees Association.

### **DISPUTE OVER PROTECTION OF EVIDENCE IN ECOT CASE RESOLVED**

The Ohio auditor's office has finished collecting data for a criminal investigation of failed online charter school ECOT and placed the records in an evidence locker, where they can be

opened and reviewed only by a judge's order under an agreement reached Monday in Franklin County Common Pleas Court.

## **THE PLAIN DEALER**

### **SPORTS WAGERING COULD BE HEADING TO OHIO AFTER SUPREME COURT RULING**

Placing sports bets at Ohio casinos made giant leap toward becoming legal with a decision from the U.S. Supreme Court on Monday.

### **MIKE DeWINE RAISED \$1 MILLION IN 72 HOURS FOLLOWING HIS GOP PRIMARY WIN, HIS CAMPAIGN SAYS**

Mike DeWine's campaign for governor raised \$1 million in the 72-hour period after he won the Republican nomination last week, his campaign said Monday.

### **FORUM LOOKS TO FIND ANSWERS ON HOW TO GET MORE WOMEN INVOLVED IN POLITICS**

Three politically astute women will share their insights into the disparity between men and women in politics at a Wednesday forum in Cleveland Heights.

### **OHIO MEDICAL MARIJUANA COMPANIES AWAIT JUDGE'S DECISION ON WHETHER TO PAUSE GROW LICENSES**

The decision of whether to halt a portion of Ohio's nascent medical marijuana program - which the state argues will delay cannabis from getting to sick patients - is now in Franklin County Common Pleas Judge Richard Frye's hands.

## **THE ENQUIRER**

### **WILL OHIO LEGALIZE SPORTS GAMBLING AFTER U.S. SUPREME COURT DECISION?**

Want to bet on the Cincinnati Bearcats, Ohio State University Buckeyes or Cincinnati Bengals?

### **FBI INVESTIGATION: WHO WILL WIN THE GOP BATTLE TO LEAD THE OHIO HOUSE?**

Right to work. Abortion restrictions. Gun laws. Money for schools. Medicaid expansion. A key person controlling decisions on these controversial, complex topics: the Ohio House speaker.

## **THE BLADE** One of America's Great Newspapers

### **SUPREME COURT LETS STATES, INCLUDING OHIO, LEGALIZE SPORTS GAMBLING**

The U.S. Supreme Court on Monday opened the door for states like Ohio to enter the sports-betting arena, but it remains to be seen whether the Buckeye State is ready to walk through it.

**SCHOOL THAT TOOK ECOT STUDENTS WANTS POOR SCORES IGNORED**

Maumee-based Ohio Virtual Academy and its sponsor are asking lawmakers to provide a “safe harbor” from potentially poor academic performance by students who transferred from the now-shuttered Electronic Classroom of Tomorrow.

**From:** Thomas, AJ  
**Sent:** Tuesday, May 15, 2018 9:34 AM  
**To:** Thomas, AJ  
**Subject:** RE: Deconstructing the Administrative State Luncheon

Make sure to respond by **this Friday 5/18** for a free lunch! See below:

**From:** Thomas, AJ  
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**To:** Thomas, AJ <AJ.Thomas@ohiohouse.gov>  
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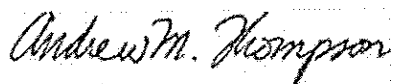
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State Representative  
House District 95



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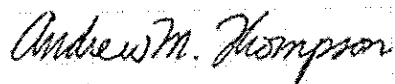
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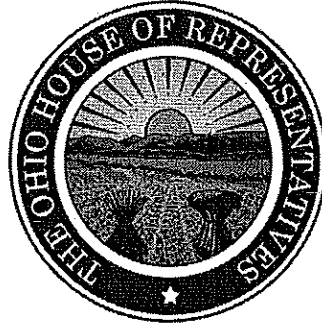
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Andy Thompson

State Representative  
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AMERICANS FOR  
PROSPERITY.

**From:** Rep93  
**Sent:** Tuesday, May 15, 2018 3:46 PM  
**To:** Snider, Grace  
**Subject:** FW: School Based Health Care Toolkit Goes Live

**From:** Theresa.Hatton@governor.ohio.gov <Theresa.Hatton@governor.ohio.gov>  
**On Behalf Of** greg.moody@governor.ohio.gov  
**Sent:** Tuesday, May 15, 2018 3:30 PM  
**To:** 'raly@hpio.net' <raly@hpio.net>; 'jaysmith@ohioschoolboards.org' <jaysmith@ohioschoolboards.org>; 'mcropper@oft-aft.org' <mcropper@oft-aft.org>; 'djohnson@oft-aft.org' <djohnson@oft-aft.org>; LESLEY.SCOTT-CHARLTON@medicaid.ohio.gov; Peggy Lehner (DST) <SD06@ohiosenate.gov>; 'csolley@akronchildrens.org' <csolley@akronchildrens.org>; 'mwilmoth@akronchildrens.org' <mwilmoth@akronchildrens.org>; 'kgrayem@akronchildrens.org' <kgrayem@akronchildrens.org>; 'sarah.knepp@ohiosenate.gov' <sarah.knepp@ohiosenate.gov>; 'hamilton@basa-ohio.org' <hamilton@basa-ohio.org>; 'aly.deangelo@ohiohospitals.org' <aly.deangelo@ohiohospitals.org>; 'raly@hpio.net' <raly@hpio.net>; 'kathleen@raiseyourvoiceforkids.org' <kathleen@raiseyourvoiceforkids.org>; Jennifer.Davis@odh.ohio.gov; 'aweaver@oahp.org' <aweaver@oahp.org>; 'nathan@oda.org' <nathan@oda.org>; 'drgossard@ecpnetwork.com' <drgossard@ecpnetwork.com>; 'enimak@aol.com' <enimak@aol.com>; 'skincaid@ohiochildrenshospitals.org' <skincaid@ohiochildrenshospitals.org>; 'mpweisel@voryshcadvisors.com' <mpweisel@voryshcadvisors.com>; 'harriam@cpsboe.k12.oh.us' <harriam@cpsboe.k12.oh.us>; 'mcropper@oft-aft.org' <mcropper@oft-aft.org>; 'kmahler@ohioafp.org' <kmahler@ohioafp.org>; 'joan.hlinomaz@ketteringschools.org' <joan.hlinomaz@ketteringschools.org>; 'MARYKAY.IRWIN@NATIONWIDECHILDRENS.ORG' <MARYKAY.IRWIN@NATIONWIDECHILDRENS.ORG>; Reina.Sims@mih.ohio.gov; 'reiss@carpenterlipps.com' <reiss@carpenterlipps.com>; 'president@OASN.org' <president@OASN.org>; 'fwolgin@interactforhealth.org' <fwolgin@interactforhealth.org>; Paolo.Demaria@education.ohio.gov; John.Martin@dodd.ohio.gov; Lance.Himes@odh.ohio.gov; Cynthia.Dungey@jfs.ohio.gov; Barbara.Sears@medicaid.ohio.gov; tracy.plouck@mha.ohio.gov; greg.moody@governor.ohio.gov; 'rgraham@lcghd.org' <rgraham@lcghd.org>; 'hamilton@basa-ohio.org' <hamilton@basa-ohio.org>; 'Daniel.Troy@lakecountyohio.gov' <Daniel.Troy@lakecountyohio.gov>; 'darlene.kamine@clcinstitute.org' <darlene.kamine@clcinstitute.org>;

'jdirossi@ohiohc.org' <jdirossi@ohiohc.org>; 'mmotter@oahp.org'  
 <mmotter@oahp.org>; 'president@oasn.org' <president@oasn.org>;  
 'rnych99@yahoo.com' <rnych99@yahoo.com>; 'klake@ohiochamber.com'  
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 'skincaid@ohiochildrenshospitals.org' <skincaid@ohiochildrenshospitals.org>;  
 Reina.Sims@mih.ohio.gov; 'Keith.Hochadel@CommQuest.org'  
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 aft.org>; ehenrich@oacbha.org; 'ajbrenn10@aol.com' <ajbrenn10@aol.com>; Peggy  
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 'burford@oesca.org' <burford@oesca.org>; 'rally@healthpolicyohio.org'  
 <rally@healthpolicyohio.org>; 'Jessie.Cannon@nationwidechildrens.org'  
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 'bcarroll@hpio.net' <bcarroll@hpio.net>; 'rally@hpio.net' <rally@hpio.net>;  
 'MaryKay.Irwin@nationwidechildrens.org'  
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 'rdickman@ohioaap.org' <rdickman@ohioaap.org>; Reina.Sims@mih.ohio.gov;  
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 <Rfields@osma.org>; 'mpweisel@voryshcadvisors.com'  
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 <Kate.Rossman@ohiosenate.gov>; 'drgossard@ecpnetwork.com'  
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<kathleen@raiseyourvoiceforkids.org>; 'rgraham@lcghd.org' ...  
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<tstrieter@greeneesc.org>; 'mwilmoth@akronchildrens.org' -  
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'kathleen@raiseyourvoiceforkids.org' <kathleen@raiseyourvoiceforkids.org>;  
'president@OASN.org' <president@OASN.org>  
**Cc:** Monica.Juenger@governor.ohio.gov; Sarah.Wickham@education.ohio.gov;  
Marjorie.Yano@medicaid.ohio.gov; 'matt\_karlan@mckinsey.com'  
<matt\_karlan@mckinsey.com>  
**Subject:** School Based Health Care Toolkit Goes Live

We wanted to remind everyone in this group about two important items:

1) The next external workgroup meeting is May 22 at 12:30pm (*note time change from noon to 12:30pm*) at ODM (details below). We will be sharing our progress over the past two months and get the group's feedback on next steps as we begin supporting the Ohio School Based Health Care Network. We look forward to your attending.

2) We are pleased to announce the Ohio School-Based Health Care toolkit will go live today (<http://education.ohio.gov/SBHealthcareToolkit>). This is an exciting accomplishment and we want to thank everyone who shared feedback on the materials and made this a resource impactful for schools and providers.

Paolo DeMaria  
Greg Moody

**School Based Health Care Workgroup**

Tuesday, May 22, 2018

12:30pm – 2:00pm

Lazarus Office Building, 6<sup>th</sup> Floor

50 W. Town Street

Columbus, OH 43215

RSVP: <https://goo.gl/forms/RXS0ndGCDbUNflVm2>

\*\*\*Allow additional time to check in with Dept. of Medicaid security upon arrival.



**From:** The Buckeye Institute  
**Sent:** Thursday, May 17, 2018 10:46 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's Economy



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

May 17, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Changes to Renewable Energy Mandate Risk Ohio's Economy**

**Columbus, OH -- The Buckeye Institute** issued the following statement on the changes made to the policies in House Bill 114:

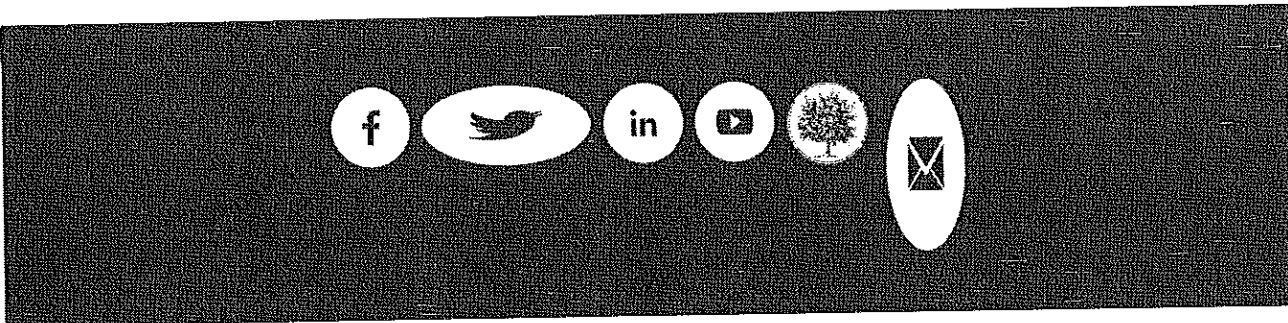
"For years Ohio consumers have been able to voluntarily pay to receive their energy from renewable sources and they should be allowed to continue to choose whatever energy source best meets their needs. They do not need the government forcing them to pay higher energy bills to pay for a forced mandate.

"With House Bill 114, the Ohio House of Representatives had wisely shifted Ohio away from government imposed renewable energy mandates. Unfortunately, the Senate has reinstated them. Although the Senate proposal reduces the forced mandates, the fact that they remain unduly **risks Ohio's economic growth** by continuing to allow a special interest subsidy at a time when we should be eliminating all subsidies."

###

*Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.*

*The Buckeye Institute is a non-partisan, non-profit, and tax-exempt organization, as defined by section 501(c)(3) of the Internal Revenue code. As such, it relies on support from individuals, corporations, and foundations that share a commitment to individual liberty, free enterprise, personal responsibility, and limited government. The Buckeye Institute does not seek or accept government funding.*



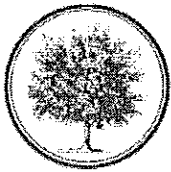
The Buckeye Institute, 88 East Broad Street,  
Suite 1120, Columbus, OH 43215

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Sent by [info@buckeyeinstitute.org](mailto:info@buckeyeinstitute.org)

**From:** The Buckeye Institute  
**Sent:** Thursday, May 17, 2018 5:25 PM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute Reacts to HHS Determination that Ohio's 1332 Medicaid Waiver Application is Incomplete



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

May 17, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute Reacts to HHS Determination that Ohio's 1332 Medicaid Waiver Application is Incomplete**

**Columbus, OH --** The Buckeye Institute issued the following statement on the Centers for Medicare and Medicaid Services' determination that Ohio's 1332 Medicaid waiver application was incomplete.

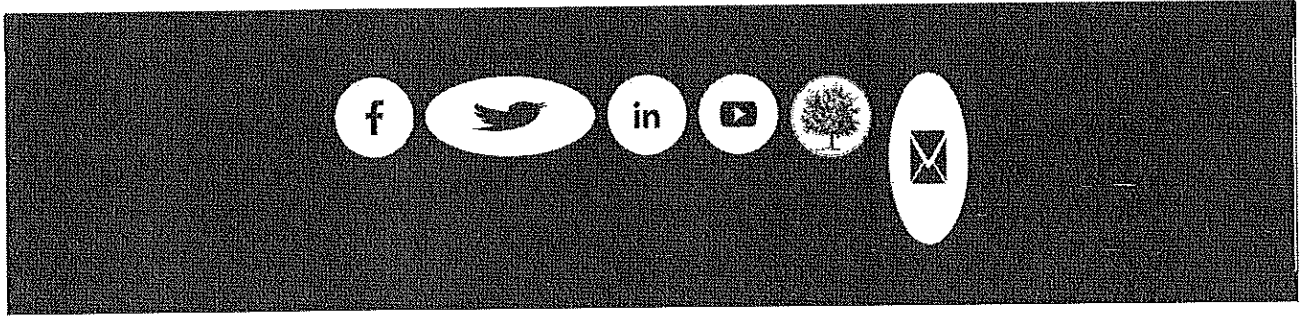
"It is disappointing that the federal government would deem Ohio's 1332 Medicaid waiver application incomplete. The Ohio application does not impact health coverage according to actuarial evidence. While Health and Human Services (HHS) told states it would work with them to use innovation waivers to ease the burden of the Affordable Care Act, in practice HHS has been inflexible. It's refusal to rescind Obama-era guidance regarding 1332's reinforces that message of inflexibility."

###

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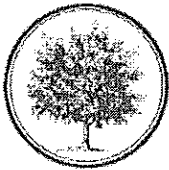
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Sent by [info@buckeyeinstitute.org](mailto:info@buckeyeinstitute.org)

**From:** The Buckeye Institute  
**Sent:** Friday, May 18, 2018 11:33 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Ohio's Job Market Continues its Steady Climb



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**  
May 18, 2017

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Ohio's Job Market Continues its Steady Climb**

**Columbus, OH --** Andrew J. Kidd, Ph.D., an economist with The Buckeye Institute's **Economic Research Center**, commented on newly released employment data from the **Ohio Department of Job and Family Services** (Click [here](#) to download the audio file.).

"Ohio continues to experience steady improvement in its labor market with unemployment falling to 4.3 percent, and significant job growth relative to April 2017 when the unemployment rate was 5.1 percent. This, coupled with the rise in labor force participation, means Ohio's labor market is growing and those seeking jobs are finding them. This is good news for Ohioans and good news for Ohio's economy.

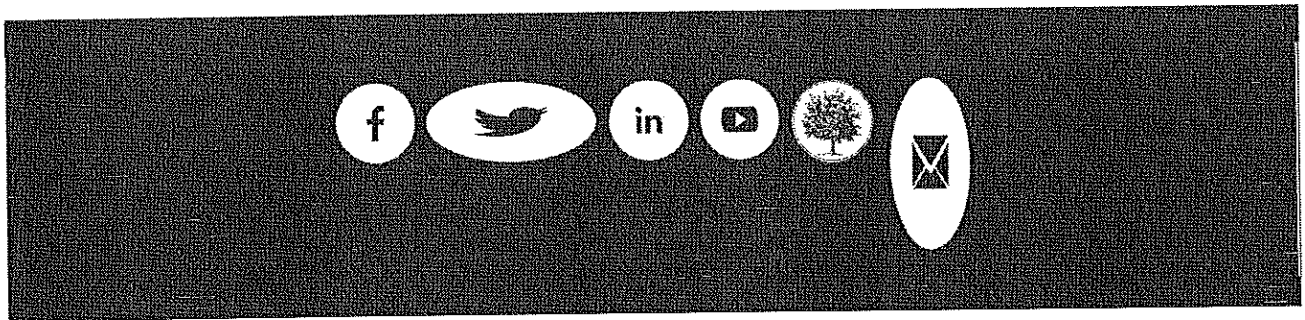
"Although Ohio has yet to reach the national unemployment rate of 3.9 percent, we are on the right track. While the national labor force participation rate fell, Ohio's actually grew. This means Ohio fared better than most states in maintaining a strong labor force. Although Ohio is moving in the right direction, policymakers need to ensure obstacles, such as special tax credits to benefit specific businesses, are not put in place that would harm this growth.

"While this month's growth was slower than previous months, Ohio's unemployment rate has held steady or fallen every month since October 2016, and we should not lose sight of the fact that relative to 2017, Ohio's job market is much stronger and continuing pro-growth policies will help both Ohio businesses and Ohio workers.

###

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**From:** Thomas, AJ  
**Sent:** Friday, May 18, 2018 12:32 PM  
**To:** Thomas, AJ  
**Subject:** FW: Deconstructing the Administrative State Luncheon

Final chance! Don't miss out on lunch and a great opportunity to see what we are doing to control the rise of the administrative state. Thanks!

**AJ THOMAS**  
Legislative Aide  
State Representative Andy Thompson | Ohio's 95<sup>th</sup> House District  
Ohio House of Representatives  
77 South High Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215  
Office number: (614) 644-8728  
[AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)

---

**From:** Thomas, AJ  
**Sent:** Tuesday, May 15, 2018 9:34 AM  
**To:** Thomas, AJ <[AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)>  
**Subject:** RE: Deconstructing the Administrative State Luncheon

Make sure to respond by **this Friday 5/18** for a free lunch! See below:

---

**From:** Thomas, AJ  
**Sent:** Friday, May 11, 2018 11:50 AM  
**To:** Thomas, AJ <[AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)>  
**Subject:** Deconstructing the Administrative State Luncheon

Hello! Had enough of bureaucracy? Tired of all the red tape? Concerned about rogue agencies seemingly operating impervious to oversight? I am, too!

A wise man once said, "There is no such thing as a free lunch," but he was wrong!

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WHERE: 31<sup>st</sup> Fl. North Room

WHEN: Wednesday May 23<sup>rd</sup> from 11:00-12:15

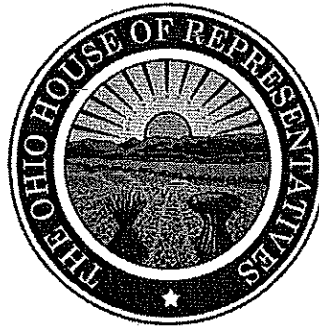
WHO: All Members and Staff are invited

Please RSVP to AJ Thomas ([AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)) by Friday May 18<sup>th</sup> so we may have a count for lunch.

We hope to see you there!

*Andrew M. Thompson*

Andy Thompson  
State Representative  
House District 95



THE BUCKEYE INSTITUTE



AMERICANS FOR  
PROSPERITY



**From:** Thomas, AJ  
**Sent:** Friday, May 18, 2018 12:32 PM  
**To:** Thomas, AJ  
**Subject:** FW: Deconstructing the Administrative State Luncheon

Final chance! Don't miss out on lunch and a great opportunity to see what we are doing to control the rise of the administrative state. Thanks!

**AJ THOMAS**  
Legislative Aide  
State Representative Andy Thompson | Ohio's 95<sup>th</sup> House District  
Ohio House of Representatives  
77 South High Street, 11<sup>th</sup> Floor  
Columbus, Ohio 43215  
Office number: (614) 644-8728  
[AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)

---

**From:** Thomas, AJ  
**Sent:** Tuesday, May 15, 2018 9:34 AM  
**To:** Thomas, AJ <[AJ.Thomas@ohiohouse.gov](mailto:AJ.Thomas@ohiohouse.gov)>  
**Subject:** RE: Deconstructing the Administrative State Luncheon

Make sure to respond by **this Friday 5/18** for a free lunch! See below:

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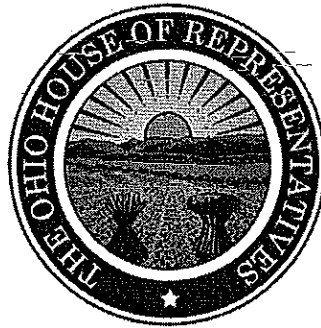
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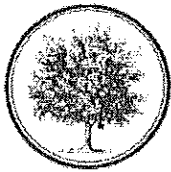


THE BUCKEYE INSTITUTE



AMERICANS FOR  
PROSPERITY

**From:** The Buckeye Institute  
**Sent:** Tuesday, May 22, 2018 10:31 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute Calls on Policymakers to Protect the "Brilliance of America's Constitution": Federalism



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**  
May 22, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute Calls on Policymakers to Protect the "Brilliance of America's Constitution": Federalism**

*Daniel J. Dew Testifies Before the Ohio-Senate  
Local-Government, Public Safety, and Veterans Affairs Committee*

**Columbus, OH --** The Buckeye Institute's Daniel J. Dew testified today (see full text below or **download a PDF**) before the Ohio Senate Local Government, Public Safety, and Veterans Affairs Committee on Senate Concurrent Resolution 23 and the importance of constitutional federalism.

"The significance of federalism and the separation of powers between the federal and state governments can hardly be overstated," Dew said in opening his testimony where he outlined three points for members of the committee to consider: the importance of federalism, the erosion of federalism, and the future of federalism.

The importance of federalism, Dew testified, was expressed by "Justice Anthony Kennedy [who] once wrote that 'Federalism was our Nation's own discovery...It was the genius-of their [the Framers] idea that our citizens would have two political capacities, one state and one federal, each protected from incursion by the other.'" Dew went on to say "Federalism is that unique system of sovereignty and power that protects the people of one state from the dictated policy preferences of another."

Recognizing that American federalism has been eroded, Dew highlighted the case of Montgomery County farmer, Roscoe Filburn, who lost his 1942 case against the federal government, which had charged Mr. Filburn with violating the federal quota limiting the amount of wheat that farmers could legally grow. In its ruling against Mr. Filburn, the Supreme Court looked to the Commerce Clause, which as Dew said, "Has not been the only lever that Congress has pulled to further shrink the sphere of the several states." Congress and the federal government, also offer "vast sums of federal money in exchange for states doing what Congress is not otherwise authorized to do," as they did with the "once-popular but now widely-criticized Crime Bill of 1996," where they offered states money if they would increase prison sentences for those convicted under state law. And, as Dew points out, "Many states obediently rewrote their criminal statutes in order to take Uncle Sam's cash."

Dew closed his testimony by pointing out that there is hope for federalism and, "It affords opportunities for states to assert their prerogatives once again." To do that Dew says, "State attorneys general must...defend state sovereignty against federal action in court," state legislatures must close loopholes that allow greater federal government incursion, and legislatures must "actively resist the temptation to take federal dollars that Congress offers to entice Ohio to do its bidding."

###

**Interested Party Testimony Before the Ohio Senate  
Local Government, Public Safety, and Veterans Affairs Committee**

**Daniel J. Dew, Legal Fellow  
The Buckeye Institute  
May 22, 2018**

Chair Uecker, Vice Chair Wilson, Ranking Member Thomas, and members of the Committee, thank you for the opportunity to testify today regarding Senate Concurrent Resolution 23 and the importance of constitutional federalism.

My name is Daniel J. Dew, and I am the legal fellow at The Buckeye Institute's Legal Center, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The significance of federalism and the separation of powers between the federal and state governments can hardly be overstated. And although we as lawyers and members of the General Assembly are undoubtedly familiar with this founding principle of our great

republic, it remains useful to remind ourselves of that principle, how and for what purpose it functions, and what role it might play in our political future. To that end, I offer the following three points for your consideration: the importance of federalism; the erosion of federalism; and the future of federalism.

### **The Importance of Federalism**

The undisputed brilliance of America's founding and Constitution lies in federalism. Justice Anthony Kennedy once wrote that "Federalism was our Nation's own discovery. The Framers split the atom of sovereignty. It was the genius of their idea that our citizens would have two political capacities, one state and one federal, each protected from incursion by the other." Justice Kennedy reminds us that the greatest check on federal power under the Constitution was not the separation of power divided among three co-equal branches, but the division of power between the sovereign states and the sovereign United States.

To implement this balance of separated power, the Constitution established several structural safeguards to protect against political "incursions." State sovereignty was protected first by the express, but limited delegation of specific powers that the Constitution granted to the national government. Many of the Framers considered these enumerated federal powers to be the extent of national authority, but others worried that without additional explicit protections, the national government would expand beyond its delegated sphere.

In opposing the need for a bill of rights, for example, Alexander Hamilton argued in Federalist 84:

"I go further, and affirm that bills of rights...are not only unnecessary in the proposed constitution, but would even be dangerous. They would contain various exceptions to powers which are not granted; and on this very account, would afford a colourable pretext to claim more than were granted. For why declare that things shall not be done which there is no power to do?"

To sharpen his point, Hamilton went on to ask: "Why for instance, should it be said, that the liberty of the press shall not be restrained, when no power is given by which restrictions may be imposed?"

Notwithstanding Hamilton's rhetorical question, the Bill of Rights was soon ratified, and with it a second constitutional safeguard for federalism and state sovereignty. James Madison, the architect of the constitutional structure, initially resisted a bill of rights, believing like Hamilton that such express protections were unnecessary given the few and

defined federal powers. But Madison later authored the Constitution's 10th Amendment, which expressly reserves to the people and the several states any powers not delegated to the federal government.

One final structural safeguard for state authority was the Constitution's initial requirement that U.S. Senators be elected by state legislatures. This provision -- later nullified in 1913 by the Seventeenth Amendment -- gave states a more direct representation in the national Congress, essentially giving states a veto power over any legislation that infringed on state prerogatives or sovereignty.

The animating principle behind each of these safeguards, of course, was the Framers' understanding that local governments are best suited to govern *local* matters, and that you, as Ohio's legislature, would know better than Congress or the President how to solve the problems and concerns of Ohio and your constituents. Federalist 17 went so far as to call any attempt by the national government to involve itself in local matters "troublesome."

We see the wisdom of this concern manifest in our own political climate today. We see fundamental differences of opinion from state to state on the proper role, scope, and interests of government -- whether state or federal. Californians, for example, do not want Oklahomans or Alabamans dictating policy for California -- and the feeling is almost certainly mutual -- just as we would never want that "state up north" dictating policy for the great state of Ohio.

Federalism is that unique system of sovereignty and power that protects the people of one state from the dictated policy preferences of another. It allows those governments closest to the people to determine the policies that impact daily life -- at least that's how it was designed.

### **The Erosion of Federalism**

The structural safeguards protecting state and federal power against what Justice Kennedy called the "incursions of the other," have unfortunately eroded. The 17th Amendment in 1913 that called for the direct, popular election of U.S. Senators dealt a significant blow to the original constitutional bulwark. After 1913, the several states no longer had direct representation in Congress, as their Senators were no longer elected by their legislatures. The Amendment's effect was tempered for several years, despite the agenda of the early Progressive movement to expand federal authority, because the Supreme Court took a relatively narrow view of national powers in those days. That view, however, would evolve.

In the late 1930s and early 40s, under tremendous pressure from President Roosevelt, the Supreme Court began taking a broader perspective of the scope of federal power. In so doing, the Court radically redrew the lines between "local" and "national" interests, and shifted the delicate balance of power and sovereignty in Washington's favor.

Perhaps the Court's most infamous decision on federalism, *Wickard v. Filburn*, started just outside Dayton, Ohio. At issue was the federal quota limiting the amount of wheat that farmers could legally grow. Montgomery County farmer, Roscoe Filburn, grew his quota, but also grew some extra wheat for his family's own consumption. Federal authorities charged Mr. Filburn with violating the federal quota, and Filburn challenged Congress's authority to regulate the size of his personal crop -- he had no intention, after all, to sell his personal family portion across state lines. Thus, argued the farmer, he was not engaged in interstate commerce and therefore was beyond federal reach. In its 1942 decision, the Supreme Court disagreed.

The *Wickard* Court held that Mr. Filburn's personal wheat consumption could be aggregated with other farmers who might also plant their own wheat, and that, when aggregated, these personal portions could impact the national wheat market. Such a potential impact, said the Court, brought Mr. Filburn's private wheat stock within Congress's authority under Article I, Section 8 to "regulate commerce with foreign nations, and among the several states."

Since then, the country's balance of sovereignty has never been the same, as virtually any facet of local, daily life -- once aggregated -- could be construed to have a national impact. In fact, it would be more than 50 years after Mr. Filburn's case before the Supreme Court would find a federal law exceeding the outer limits of Congress's authority to regulate interstate commerce.

The effect of such a shift in the balance of power was summarized more recently by Justice Clarence Thomas, who wrote:

"There is a danger to concentrating too much, as well as too little, power in the Federal Government. This Court has carefully avoided stripping Congress of its ability to regulate *interstate* commerce, but it has casually allowed the Federal Government to strip States of their ability to regulate *intrastate* commerce -- not to mention a host of local activities..."

Unfortunately, the Constitution's Interstate Commerce Clause has not been the only lever that Congress has pulled to further shrink the sphere of the several states. When the ever-elastic powers of the Commerce Clause are not enough to impose Washington's will,

Congress often resorts to Don Corleone's famously effective approach in *The Godfather* -- and makes the states an offer they can't refuse.

That offer typically involves Congress sending states vast sums of federal money in exchange for states doing what Congress is not otherwise authorized to do. For example, Congress's once-popular but now widely-criticized Crime Bill of 1996 offered money to states if they would increase prison sentences for those convicted under state law. Here, Congress inserted itself into local criminal justice matters that had been traditionally -- and for good reason -- left entirely to the state and local authorities. The money, however, was too much to resist and many states obediently rewrote their criminal statutes in order to take Uncle Sam's cash. Like the Commerce Clause, the Supreme Court has found precious little beyond Congress's so-called Spending Power-a coercive power that Chief Justice Roberts once called "a gun to the head."

Collectively, or "in the aggregate," constitutional amendments and the Supreme Court's reinterpretation of constitutional authority have eroded the safeguards of federalism over the years. The structural lines that protected each political sovereign from the "incursions of the other" have been undeniably blurred. But there is hope.

### **The Future of Federalism**

Few would argue that federalism today remains the robust stalwart against federal encroachment that James Madison and Alexander Hamilton had envisioned. The ebbs and flows of history and jurisprudence have taken their toll. But the constitutional structure that originally "split the atom of sovereignty" still remains, and it affords opportunities for states to assert their prerogatives once again. To do that, state attorneys general must continue to vigorously defend state sovereignty against federal action in court. Regrettably, such resistance will likely need to become the norm and not the exception if Ohio and her sister states are to restore the rightful balance of constitutional power.

And you, serving as the legislature, will also need to join the fight. In the last session, the General Assembly stood up for Ohio by limiting federal efforts to circumvent protections that you extended your constituents through civil asset forfeiture reform. You wisely closed a loophole in the federal Equitable Sharing program that had allowed law enforcement to evade state restrictions on civil forfeiture and take property from those who had never even been charged with a crime.

But more than just closing loopholes, you can actively resist the temptation to take federal dollars that Congress offers to entice Ohio to do its bidding. As we all know, those dollars inevitably dry-up and all that's left are growing piles of red-tape and state debt. By resisting



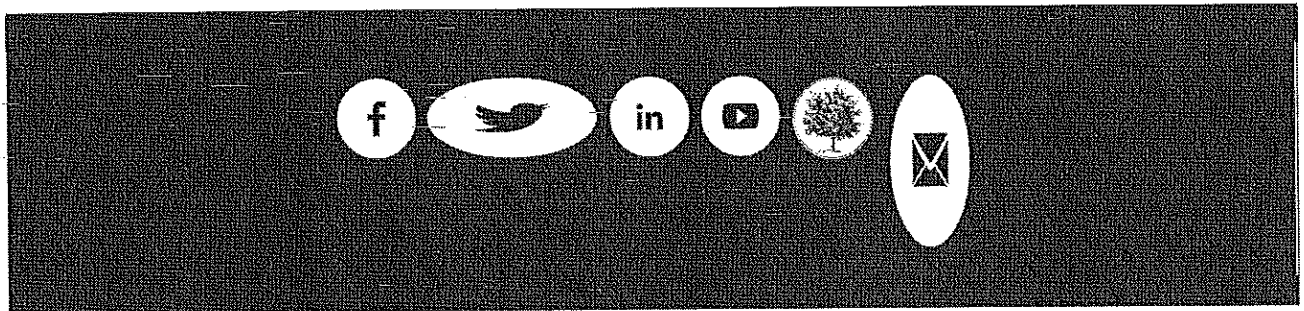
the siren song of Congress, Ohio can once again begin to safeguard her own sovereign, political interests. As Chief Justice Roberts quipped a few years ago, "The States are separate and independent sovereigns. Sometimes they have to act like it."

Thank you for the opportunity to address this important subject today. I would be happy to answer any questions you might have.

###

*Founded in 1989, The Buckeye Institute is an independent research and educational institution - a think tank - whose mission is to advance free-market public policy in the states.*

*The Buckeye Institute is a non-partisan, non-profit, and tax-exempt organization, as defined by section 501(c)(3) of the Internal Revenue code. As such, it relies on support from individuals, corporations, and foundations that share a commitment to individual liberty, free enterprise, personal responsibility, and limited government. The Buckeye Institute does not seek or accept government funding.*



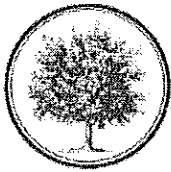
The Buckeye Institute, 88 East Broad Street,  
Suite 1120, Columbus, OH 43215

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Sent by [info@buckeyeinstitute.org](mailto:info@buckeyeinstitute.org)

**From:** The Buckeye Institute  
**Sent:** Tuesday, May 22, 2018 4:15 PM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Ohio Shouldn't Regulate Professions Unless There is a Risk to Public Safety



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**  
May 22, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Ohio Shouldn't Regulate Professions Unless There is a Risk to Public Safety**

*Greg Lawson Testifies before the Ohio House  
Economic Development, Commerce, and Labor Committee*

**Columbus, OH --** The Buckeye Institute's Greg R. Lawson testified today (see full text below or **download a PDF**) before the Ohio House Economic Development, Commerce, and Labor Committee on the policies in House Bill 504.

In his testimony, Lawson noted that while House Bill 504 is not an occupational licensing bill, "as a permissive certification, the bill would effectively expand the scope of practice for those who seek the new certification," and The Buckeye Institute "continue[s] to discourage the direct regulation of any specific profession unless there is a verifiable public safety risk."

###

**Interested Party Testimony Before the Ohio House  
Economic Development, Commerce, and Labor Committee on  
House Bill 504**

**Greg R. Lawson, Research Fellow**

**The Buckeye Institute**

**May 22, 2018**

Chairman Young, Ranking Member Lepore-Hagan, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 504.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution-a think tank-whose mission is to advance free-market public policy in the states.

Ohioans should not have to ask the state for permission to earn their living. Yet, all too often, Ohio's occupational licensing requirements serve as "permission slip" policies that make it harder-and sometimes impossible-for Ohioans and would-be Ohioans to pursue their careers and put food on the table for their families. Such policies must end.

Enter House Bill 504. First, The Buckeye Institute appreciates that this bill is not technically a licensure bill for interior designers. As a permissive certification, the bill would effectively expand the scope of practice for those who seek the new certification.

Under the proposed bill, certified interior designers would be permitted to submit plans directly to building code officials rather than having to work under the direction or supervision of an architect or engineer, as is presently the case. These steps are better than prior proposals that would have required a license to be an interior designer. However, we continue to discourage the direct regulation of any specific profession unless there is a verifiable public safety risk.

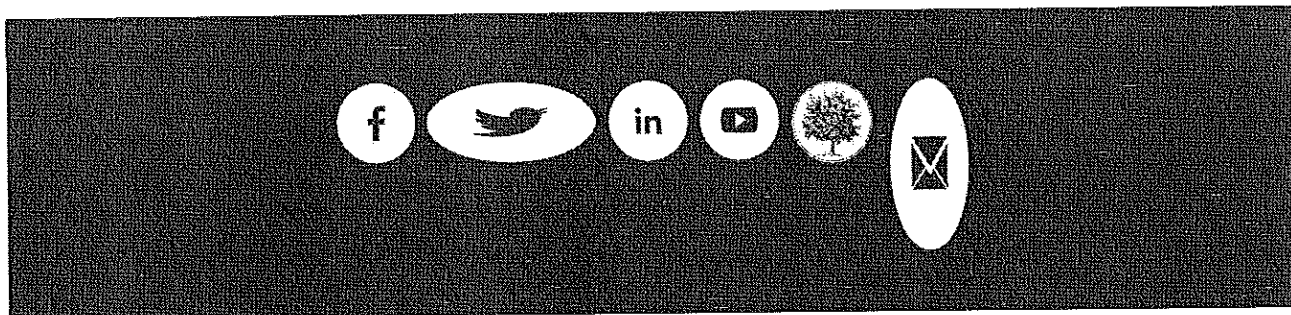
Second, The Buckeye Institute respectfully suggests that the Committee consider clarifying potential professional liability issues that House Bill 504 may unintentionally create. Expanding the scope of practice for interior designers by permitting them to submit plans to building officials should make the certified designer-and not the architect or engineer-liable for any problems that arise from the designer's submitted designs. As written, however, the bill does not make clear if this would in fact be the case.

Thank you for your time and consideration. I welcome any questions the Committee might have.

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**From:** Thomas, AJ  
**Sent:** Wednesday, May 23, 2018 11:20 AM  
**To:** House\_All  
**Subject:** ALERT- HAPPENING NOW: Deconstructing the Administrative State Luncheon

Come on up to the 31<sup>st</sup> Floor!

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**From:** Thomas, AJ  
**Sent:** Tuesday, May 15, 2018 9:34 AM  
**To:** Thomas, AJ <AJ.Thomas@ohiohouse.gov>  
**Subject:** RE: Deconstructing the Administrative State Luncheon

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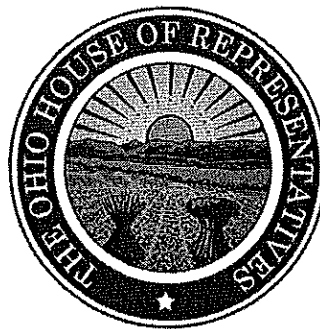
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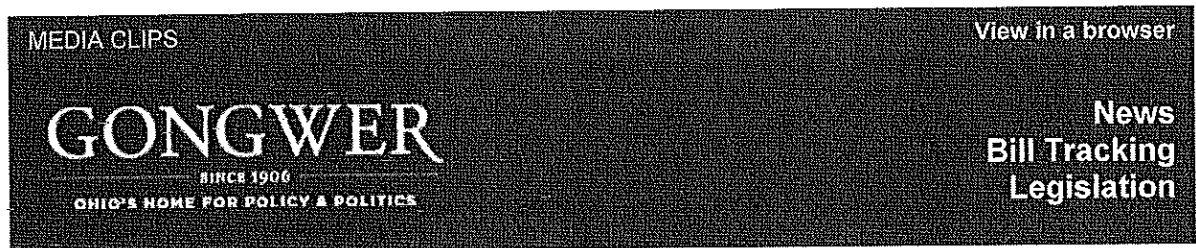
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**From:** Gongwer News Service  
**Sent:** Thursday, May 31, 2018 8:22 AM  
**To:** Snider, Grace  
**Subject:** Ohio Media Clips, Thursday, May 31



## NEWS

Trump signs bill for terminal patients to try unproven drugs (Akron Beacon Journal, 5/31/2018)

Group says Ohio needs office to lobby for more military jobs (Associated Press, 5/31/2018)

Mike DeWine says right-to-work is not on his agenda. So did GOP governors who later supported it. (Cleveland Plain Dealer, 5/31/2018)

Paul Ryan to attend Troy Balderson fundraiser in suburban Columbus (Cleveland Plain Dealer, 5/31/2018)

Questions about funding stall Ohio bail-reform bill (Cleveland Plain Dealer, 5/31/2018)

State Rep. Scott Lipps wears his last name with a smile (Cleveland Plain Dealer, 5/31/2018)

Brown-Portman bill would give fentanyl detectors to law enforcement (Columbus Dispatch, 5/31/2018)

**Democratic group assails Balderson on ECOT campaign cash (Columbus Dispatch, 5/31/2018)**

**Group says Ohio needs office to lobby for military jobs (Columbus Dispatch, 5/31/2018)**

**Speaker feud continues as Smith backers call for immediate vote (Columbus Dispatch, 5/31/2018)**

**Bill would push Ohio schools to open after Labor Day (Dayton Daily News, 5/31/2018)**

**Dayton company part of 'clean energy' movement that could create 20K Ohio jobs (Dayton Daily News, 5/31/2018)**

**Dems want to pin ECOT blame on GOP in fall election: What's really going on (Dayton Daily News, 5/31/2018)**

**Ohio House speaker candidate demands immediate vote (Toledo Blade, 5/31/2018)**

**Lawmakers losing patience get the promise of a light at the end of the tunnel (WDTN, 5/31/2018)**

## **EDITORIALS**

**Beacon Journal/Ohio.com editorial board: Listening to voters, the ACLU of Ohio way (Akron Beacon Journal, 5/31/2018)**

**A troubling window into Army Corps machinations over Cuyahoga River dredge: editorial (Cleveland Plain Dealer, 5/31/2018)**

**Decisions made in Columbus are forcing local tax increases (Cleveland Plain Dealer, 5/31/2018)**

**Editorial: Only one real choice in Ohio House speaker mess (Columbus Dispatch, 5/31/2018)**

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**From:** Westlake, Libby  
**Sent:** Thursday, May 31, 2018 8:44 AM  
**To:** Westlake, Libby  
**Subject:** E-Clips for 5/31/2018

## HOUSE E-CLIPS

5/31/2018



### **GROUP SAYS OHIO NEEDS OFFICE TO LOBBY FOR MILITARY JOBS**

Ohio needs an agency that would help put the state at the forefront of military development and lobby for its current bases, a statewide committee recommended.



### **DEMOCRATIC GROUP ASSAILS BALDERSON ON ECOT CAMPAIGN CASH**

An independent organization backing Democrats launched a digital TV commercial against U.S. House Republican candidate Troy Balderson for not giving up \$10,000 in campaign contributions to the founder of defunct online school ECOT.

### **SPEAKER FEUD CONTINUES AS SMITH BACKERS CALL FOR IMMEDIATE VOTE**

Stressing that they are not the ones keeping the House from conducting business, Rep. Ryan Smith and about 25 of his supporters gathered Wednesday to urge a speaker's vote be called as soon as Thursday.

### **EDITORIAL: ONLY ONE REAL CHOICE IN OHIO HOUSE SPEAKER MESS**

The unprecedented breakdown of leadership in the Ohio House of Representatives is about one thing — serving one member's ambition to be speaker come January — and it's time for it to stop.



### **BILL WOULD PUSH OHIO SCHOOLS TO OPEN AFTER LABOR DAY**

A bill calling for Ohio schools to begin the academic year after Labor Day had its second hearing before the Ohio House Education Committee last week.

## **THE PLAIN DEALER**

### **MIKE DEWINE SAYS RIGHT-TO-WORK IS NOT ON HIS AGENDA. SO DID GOP GOVERNORS WHO LATER SUPPORTED IT.**

Attorney General Mike DeWine, the Republican nominee for governor, side-stepped questions on Wednesday about whether he would support so-called right-to-work legislation.

### **STATE REP. SCOTT LIPPS WEARS HIS LAST NAME WITH A SMILE**

In the halls of the Ohio Statehouse, it's usually not hard to guess which lawmaker is state Rep. Scott Lipps.

### **PAUL RYAN TO ATTEND TROY BALDERSON FUNDRAISER IN SUBURBAN COLUMBUS**

U.S. House Speaker Paul Ryan is set to be in suburban Columbus on Wednesday afternoon for a fundraiser on behalf of 12th Congressional District Republican nominee Troy Balderson, according to Balderson's campaign.

## **THE BLADE**

One of America's Great Newspapers

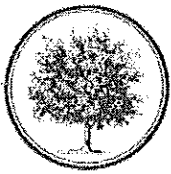
### **REAGAN TOKES RALLY TO PROMOTE SELF-DEFENSE, LEGISLATIVE REFORMS**

In a public park less than five miles from where Reagan Tokes was killed 16 months ago, a rally will be held next week to retell her story and promote self-defense and legislative reforms to prevent that story from being repeated.

### **OHIO HOUSE SPEAKER CANDIDATE DEMANDS IMMEDIATE VOTE**

The leading candidate to be Ohio's next House speaker insisted Wednesday on an immediate vote of the chamber rather than a change in rules to allow the current second-in-command to perform the duties of the job but without the title.

**From:** The Buckeye Institute  
**Sent:** Tuesday, June 5, 2018 11:22 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute Urges Ohio Policymakers to Pursue Systemic Tax Reform



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 5, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute Urges Ohio Policymakers to Pursue Systemic Tax Reform**

*Greg Lawson Testifies Before the Ohio House Ways and Means Committee*

**Columbus, OH --** The Buckeye Institute's Greg R. Lawson testified today (see full text below or [download a PDF](#)) before the Ohio House Ways and Means Committee on House Bill 333.

In opening his testimony, Lawson noted that "nullifying tax penalties and making the tax code fairer for taxpayers is...laudable" and, quoting from a **study** by the American Enterprise Institute and the Brookings Institute, further highlighted the "significant correlation between marriage, poverty, and economic growth."

Lawson also noted that the "new marriage neutrality is only necessary because Ohio's tax code remains tragically progressive," and went on to say the policy "addresses but one symptom of a bed-ridden patient without offering any lasting cure."

The cure, Lawson said, is systemic change to Ohio's tax code that would include reforming the municipal income tax structure and would create a tax system that is pro-growth, simple, transparent, fair, and equitable, as outlined in Buckeye's *Tax Reform Principles for Ohio*.

Lawson applauded the efforts of policymakers to eliminate Ohio's marriage penalty, but urged them to pursue "fundamental changes" that will spur economic growth and help families "climb the ladder of prosperity."

###

**Interested Party Testimony Before the Ohio House  
Ways and Means Committee on House Bill 333**

**Greg R. Lawson, Research Fellow  
The Buckeye Institute  
June 5, 2018**

Chairman Schaffer, Ranking Member Rogers, and members of the Committee, thank you for the opportunity to testify today regarding House Bill 333.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

House Bill 333 will annul the "marriage penalty" currently wedded to Ohio's personal state income tax. Nullifying tax penalties and making the tax code fairer for taxpayers is, of course, laudable. Eliminating this particular penalty -- and thereby encouraging, rather than discouraging marriage -- is especially worthwhile considering the significant correlation between marriage, poverty, and economic growth.

Last year, for instance, the American Enterprise Institute (AEI) and Brookings Institute found that "Less than half of poor Americans age 18 to 55 (just 26 percent) and 39 percent of working-class Americans are currently married, compared to more than half (56 percent) of middle- and upper-class Americans,"[1] indicating a strong connection between the matrimonial bond and economic status.

Using "models that control for a range of factors...that might otherwise confound the family-economy link at the state level," an earlier AEI study concluded in 2015:

"Higher levels of marriage, and especially higher levels of married-parent families, are strongly associated with more economic growth, more economic mobility, less child poverty, and higher median family income at the state level in the United States. When we compare states in the top quintile of married-parent families with those in the bottom quintile, we find that being in the top quintile is associated with a \$1,451 higher per capita

GDP, 10.5 percent greater upward income mobility for children from lower-income families, a 13.2 percent decline in the child poverty rate, and a \$3,654 higher median family income."[2]

Thus, on purely socio-economic policy grounds, policymakers should reduce if not eliminate disincentives to marry. The tax code's disincentives or the so-called "marriage penalties" arise when two people with similar incomes get married and jointly file their tax returns.[3] When the newly-weds combine their incomes and file jointly, they enter a higher bracket than if they chose to remain single and file separately.[4] This higher tax liability penalizes marriage -- effectively using the tax code to pick winners (those who do not marry) and losers (married couples filing jointly). When governments pick winners and losers, people tend to suffer.

HB 333 offers relief to a large number of Ohio families currently losing an unfair tax game because it allows married joint-filers to claim a new tax credit such that they would pay no more than if they could legally file separately. Such tax relief is good.

But HB 333's new marriage neutrality, of course, is only necessary because Ohio's tax code remains tragically progressive. Describing the similarly progressive federal tax code's "marriage penalties," Congress' Joint Committee on Taxation once explained:

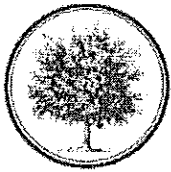
"The current tax system is progressive: as a taxpayer's income rises, the tax burden increases as a percentage of income. It also taxes married couples with equal income equally: it specifies the married couple as the tax unit so that married couples with the same income pay the same tax. However, it is not marriage neutral."[5]

Although HB 333 takes a positive step forward in the fight against unfair taxation, it is important to recognize its limitations. It addresses but one symptom of a bed-ridden patient without offering any lasting cure. Even after HB 333 nullifies the state's marriage penalty, Ohio will still suffer from its growth-killing disease: progressive taxation. Indeed, after accounting for the state's municipal income tax structure -- the worst local tax system in America -- Ohio ranks in the upper half of the nation in combined state and local tax burden.[6] And removing the state's marriage penalty, unfortunately, will not do enough to change that.

More systemic changes are needed. As The Buckeye Institute explained in our *Tax Reform Principles for Ohio*,[7] the state's tax code should be pro-growth, simple, transparent, fair, and equitable.[8] Flatter taxes on broader bases, without special exemptions, will lower the tax burden and spread their cost more evenly and fairly among taxpayers. Streamlining and simplifying the local tax structure will help, too. So although we applaud the efforts to end



**From:** The Buckeye Institute  
**Sent:** Wednesday, June 6, 2018 5:37 PM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's Economy



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 6, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Energy Mandates and Subsidies Harm Ohio's Economy**

*Greg Lawson Testifies Before the Ohio Senate Energy and Natural Resources Committee*

**Columbus, OH--** The Buckeye Institute's Greg R. Lawson testified today (see full text below or **download a PDF**) before the Ohio Senate Energy and Natural Resources Committee on House Bill 114.

In setting the context for his testimony, Lawson told policymakers that The Buckeye Institute "support[s] renewable energy and encourage[s] the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector...The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource."

Lawson went on to outline the harm Ohio's Renewable Portfolio Standard (RPS), even the lower standards in the Senate's version of House Bill 114, would inflict on the state's economy. "If the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented."

Reminding policymakers that the RPS functions like a tax on electricity "by increasing the product's price without providing the consumer with any additional benefit or value," Lawson highlighted the reliability of Buckeye's dynamic macroeconomic model over static input-output models in assessing potential economic impacts of policies like RPS. "Input-output models fail to account correctly for behavioral changes such as the effects that a price increase has on electricity demand and total output -- especially in energy-intensive industries...Thus, unlike other studies, our analysis accounts for economic realities like higher electricity prices and non-green sector layoffs rather than assuming or wishing them away."

###

**Interested Party Testimony Before the Ohio Senate Energy  
and Natural Resources Committee on House Bill 114**

**Greg R. Lawson, Research Fellow  
The Buckeye Institute  
June 6, 2018**

Chairman Balderson, Vice-Chair Jordan, Ranking Member O'Brien, and members of the Committee, thank you for the opportunity to testify today regarding renewable energy and House Bill 114.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

Members of this committee have diligently worked to find a responsible path forward for Ohio's renewable energy policy. And we appreciate that. We also recognize that the Renewable Portfolio Standard (RPS) would be modified in the Senate's substitute version of House Bill 114 to max out at 8.5 percent in 2022 rather than continue the march up Mandate Mountain to 12.5 percent in 2026 as under current law. Although that substitution certainly improves the status quo, we do not support Ohio having any RPS mandate.

To be clear, we support renewable energy and encourage the growth of the renewable energy industry in Ohio. But we do not support government-imposed energy mandates of any kind. Our position against government mandates extends far beyond the renewable energy sector. As our previous testimony against the Ohio Valley Electric Company

bailouts[1] and the Zero Emissions Nuclear Resource Program[2] made clear, The Buckeye Institute consistently opposes any mandates, subsidies, or bailouts for any energy resource.

On principle, we maintain that all customers, whether residential, commercial, or industrial, should remain free to use and purchase from a menu of energy options voluntarily. Government mandates that require quotas and compelled consumption not only infringe upon such freedom but are, in fact, unnecessary in today's energy market.

The Business Council for Sustainable Energy recently found, for example, that 18 percent of all energy generation in the United States comes from renewable sources,[3] which means that consumers are already choosing renewable energy. Furthermore, large renewable energy consumers like Amazon and EnerBlu just enlarged their footprint in Kentucky, right next door -- and Kentucky does not have renewable energy mandates.[4] EnerBlu, in fact, relocated its headquarters to Kentucky just this spring.[5] Other financial incentives perhaps enticed these companies to expand in Kentucky, but they did so voluntarily, choosing a non-RPS state over Ohio.

As they make Ohio less attractive and less competitive for businesses, energy mandates will generate their own harmful downstream effects on the state's economy.

Last year, The Buckeye Institute's Economic Research Center used its dynamic macroeconomic model to study the potential effects of Ohio's current RPS program under four different scenarios (explained in the **attached Appendix**).[6] Using historical data from the Public Utilities Commission, we calculated the percent increase in electricity prices caused by the cost of RPS compliance. Under the RPS, electricity providers purchase renewable energy credits -- or RECs -- which add expenses above and beyond the cost of buying and distributing wholesale electricity. Providers pass that additional cost on to consumers. Thus, RPS functions very much like a tax on electricity by increasing the product's price without providing the consumer with any additional benefit or value. Our dynamic economic model applied past and projected price increases caused by RPS to estimate the effect of this tax on state GDP and employment growth. The results, though not surprising, should concern this Committee as the model revealed that RPS reduces Ohio's GDP and curbs job growth across the state by increasing the costs of producing energy.

If, for example, the RPS mandates cap out at 8.5 percent, as proposed in the substitute version of House Bill 114, and the price of renewable energy credits increases to historical highs, we expect employment to be 1.4 percent less and the state's GDP to be 1.3 percent smaller. Such reductions will mean 63,000 fewer jobs in Ohio by the time the RPS is fully implemented. Even if REC prices remain constant at historical lows as the mandates

resume to 8.5 percent, Ohio will employ 25,400 fewer people and produce nearly \$2.8 billion less output by the final year of compliance.[7]

Advocates of the RPS mandates contend that increasing investments and job growth in the renewable energy sector offsets the program's economic costs and losses. Our model accounts for such green job growth. By using Ohio's historical RPS, electricity, and employment data, our model calculates green job growth and changes to non-green sectors attributable to the mandate. The model found that green job growth did not make up for the heavier job losses in other sectors.

Other studies, of course, claim to find economic benefits from RPS programs. Our model and analysis, however, better reflects the likely economic effects of the policy because it is closely tailored to the renewable mandate and does not conflate RPS costs with reduced bills from energy-efficiency mandates. Moreover, our fully documented and transparent model is dynamic, showing changes over time, and does not rely on a static input-output analysis.[8]

Dynamic economic models are better suited than static input-output models for assessing the potential economic impacts of policies like RPS. Input-output models fail to account correctly for behavioral changes such as the effects that a price increase has on electricity demand and total output -- especially in energy-intensive industries.[9] In other words, static input-output models incorrectly assume that green jobs will be created without taking resources away from other, non-green sectors of the economy. In theory, however, the increase in electricity prices caused by the RPS should force job losses and reductions in hiring growth in other sectors that do not receive the benefits of the mandate -- and our findings confirm that theory. Thus, unlike other studies, our analysis accounts for economic realities like higher electricity prices and non-green sector layoffs rather than assuming or wishing them away.

Before concluding, I would like to highlight a problem with the current and proposed wind turbine setback rules. The current rule restricts the wind energy industry too severely. Unfortunately, House Bill 114 proposes a flawed solution to the current restrictions that will likely do further damage to property rights in Ohio.

Wind setback rules create a classic property rights conflict. Landowners have a right to place windmills on their property, but their neighbors also have a right to enjoy their own property. Unfortunately, the current setback rule -- requiring the consent of every neighbor adjacent to the proposed windmill -- fails to answer this rudimentary property law question correctly. Neighbors should not hold an absolute veto power over what other property owners may and may not do on their own land. But the proposed solution in House Bill 114

that reduces the setback distance between the windmill and the neighbors is unsatisfactory as well because it infringes upon the neighbors' right to enjoy their property free of windmills.

The answer lies in compensation. Landowners who want windmills should be required to pay their neighbors fair compensation for the windmills' effect on the neighbors' enjoyment of their property. State law should embrace and recognize the property interests of both parties -- without subjugating one to the other -- and facilitate negotiations for fair compensation that must be paid to directly affected landowners. Preserving vetoes and shrinking setbacks are well-intended, half-measures that unfortunately threaten to exacerbate the current conflict rather than resolve it.

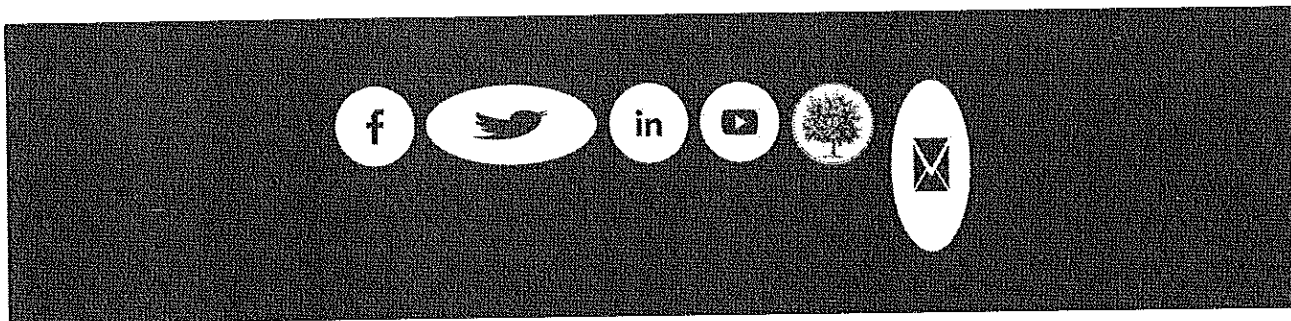
Thank you for your time. I would be happy to answer any questions from the Committee.

- 
- [1] Greg R. Lawson, research fellow, The Buckeye Institute, Testimony Before the Ohio House Public Utilities Committee, "Utility Subsidies Hurt Competition and Hurt Ohio," October 3, 2017.
- [2] Joe Nichols, *An Ohio Cure for the Nuclear Subsidy Contagion*, *Akron Beacon Journal/Ohio.com*, July 18, 2017.
- [3] **2018 Fact Book: Sustainable Energy in America, Executive Summary**, Bloomberg New Energy Finance and the Business Council for Sustainable Energy, February 15, 2018.
- [4] Dees Stribling, *Amazon Moving Ahead With Prime Air Hub at Cincinnati/Northern Kentucky International Airport*, Bisnow National, May 4, 2018.
- [5] *EnerBlu Completes Relocation of Corporate Headquarters to Lexington, Kentucky*, EnerBlu press release, May 2, 2018.
- [6] Orphe Divounguy PhD., Rea S. Hederman Jr., Joe Nichols, and Lukas Spitzwieser, *Economic Research Center Analysis: The Impact of Renewables Portfolio Standards on the Ohio Economy*, The Buckeye Institute, March 3, 2017.
- [7] REC prices likely will rise for three reasons. First, demand for RECs will grow as (1) annual compliance targets increase in states with existing RPS laws, (2) many states (e.g., New York and California) seek to increase existing or implement new RPS targets, and (3) companies (e.g., Amazon and Facebook) seek to offset more of their fossil fuel- and nuclear-generated electricity with renewables. Second, the demand for RECs will likely outpace the supply of renewable energy, causing REC prices to rise. Building new renewable generation sources greatly depends on federal tax credits and subsidies -- and the most significant of those are scheduled to sunset within the next three to seven years (i.e., 2020 for wind and 2024 for solar). With the Trump Administration in office for at least two more years, new federal support and regulations favoring renewable generation investments appear less likely.
- [8] Larry Dwyer, Peter Forsyth, and Ray Spurr, "Assessing the Economic Impacts of Events: A Computable General Equilibrium Approach," *Journal of Travel Research*, Volume 45, Issue 1 (August 2006) p. 59-66.
- [9] *Ibid.*

###

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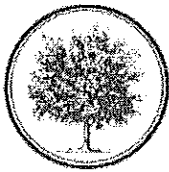
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**From:** The Buckeye Institute  
**Sent:** Monday, June 11, 2018 2:46 PM  
**To:** Snider, Grace  
**Subject:** U.S. Supreme Court Cites The Buckeye Institute's Brief in Upholding Ohio's Election Integrity Law



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 11, 2018

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### **U.S. Supreme Court Cites The Buckeye Institute's Brief in Upholding Ohio's Election Integrity Law**

**Columbus, OH** -- Today, the Supreme Court of the United States upheld Ohio's authority to ensure that the votes of its citizens are not diluted by voter fraud in the court's **decision in *Husted v. A. Philip Randolph Institute***. The Buckeye Institute filed an **amicus brief** in the case on August 7, 2017, which was cited in the Supreme Court decision.

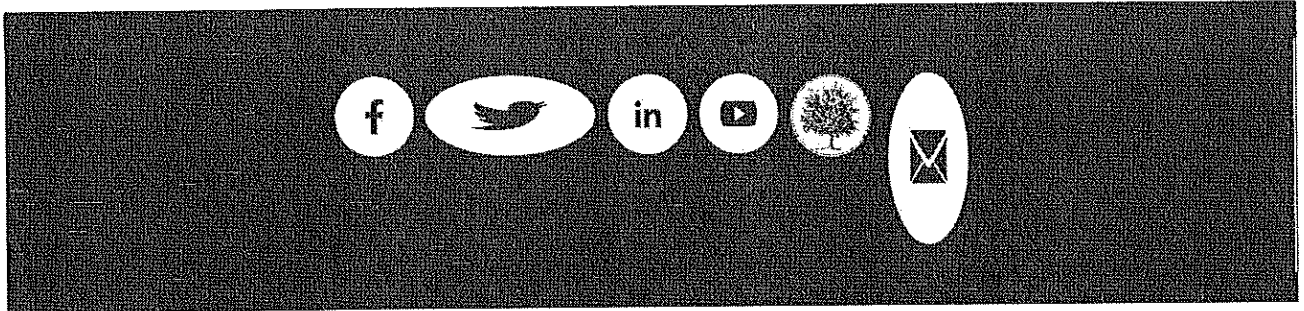
"We have a government of the people and by the people, and today the Supreme Court validated Ohio's process to assure that the peoples' voices are not drowned out by ineligible votes," said **Robert Alt**, president and chief executive officer at The Buckeye Institute. "Today, Ohioans and all Americans won. And in citing The Buckeye Institute's brief, the Supreme Court recognized the interest of states like Ohio to be vigilant and to employ screening procedures to ensure accurate voting rolls."

Ohio's case centered around the question of whether the state has the authority to maintain an accurate and up-to-date statewide database of registered voters. In its brief, Buckeye argued that the U.S. Constitution is clear in giving states authority over voter qualifications, and Ohio has a clear interest in making sure that only residents are able to vote in its elections. To do so, the state's voter rolls must be as accurate as possible. The Supreme Court noted that Ohio's process for voter removal follows federal law "to the letter."

###

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**From:** Rep93  
**Sent:** Monday, June 11, 2018 5:33 PM  
**To:** Snider, Grace  
**Subject:** FW: Message from \_ALEC (15714825017)  
**Attachments:** VoiceMessage.wav

**From:** Cisco Unity Connection Messaging System <unityconnection@unityohr>  
**Sent:** Monday, June 11, 2018 5:14 PM  
**To:** rep932la@unityohr  
**Subject:** Message from \_ALEC (15714825017)

**From:** Snider, Grace  
**Sent:** Tuesday, June 12, 2018 6:11 PM  
**To:** 'krsmith223@gmail.com'  
**Subject:** Meeting and Speaking requests

Speaking requests

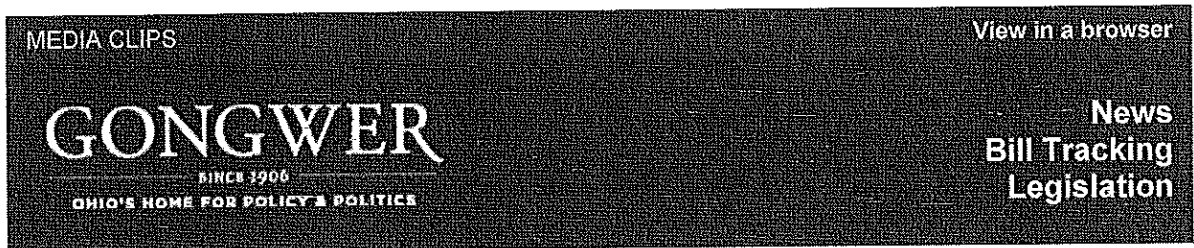
1. NBC 4 The Spectrum- Week of June 18
2. Kevin Schmidt- Ohio Cast Metals Association -7/26
3. Zach Doran- Auto Dealers Board of Trustees-8/23

Meeting Requests

1. Big 6- Tues or Wed
2. Press Corps Brown Bag-Tuesday
3. Suggested by Shawn- meet with Directors of LSC, LIS and JCARR
4. Tony Bledsoe-JLEC
5. Beth Hansen and Tim Biggam
6. Directors Sears and Plouck -BH redesign
7. Rep. Reineke- talk about his issues
8. Rep. Henne
9. Rep. Hood (currently set for 10:30 on 6/19) Right to Work
10. Signing Ceremony (Separately with Reps. Romanchuk and Schaffer)
11. Lisa Cline- Strategic Healthcare regarding BH Carve in (Received call from Lori Criss regarding this topic as well)
12. Lora Miller- food
13. Byers Minton, SB 216 (enact the "Ohio Public School Deregulation Act" regarding the administration of preschool and primary and secondary education programs) along with Reps. Ryan and Cupp
14. Hunter Wright with Tire Manufacturer Association regarding SB 223 (Sen. LaRose's Prohibit installing unsafe used tires)
15. Doug Kellogg- Americans for Tax Reform

Grace Snider  
Office of Speaker Ryan Smith  
614.466.1366

**From:** Gongwer News Service  
**Sent:** Thursday, June 14, 2018 8:18 AM  
**To:** Snider, Grace  
**Subject:** Ohio Media Clips, Thursday, June 14



## NEWS

Ex-Rep. Gabby Giffords speaks against gun violence in Ohio (Associated Press, 6/14/2018)

Ohio's top court hears arguments on promotions tax dispute (Associated Press, 6/14/2018)

Mike Pence will be met with dancing drag queens in Columbus (Cincinnati Enquirer, 6/14/2018)

Poll: Ohio voters want to send message to Trump (Cincinnati Enquirer, 6/14/2018)

This 2018 poll has lots to make Ohio GOP worry (Cincinnati Enquirer, 6/14/2018)

Businesses want loans to fix failing multi-employer pension system (Cleveland Plain Dealer, 6/14/2018)

Jim Renacci's Senate campaign is staffing up for November 2018 Ohio election (Cleveland Plain Dealer, 6/14/2018)

**Ohio dark-money group broke campaign-finance rules, group claims (Cleveland Plain Dealer, 6/14/2018)**

**Richard Cordray, Mike DeWine tied in latest poll. Sherrod Brown up big ... again. (Cleveland Plain Dealer, 6/14/2018)**

**Brown confident jobs safe at defense agencies in Whitehall (Columbus Dispatch, 6/14/2018)**

**Businesses warn of dire threat if multiemployer pension crisis is not addressed (Columbus Dispatch, 6/14/2018)**

**DeWine fights union plea for clothing allowance payments (Columbus Dispatch, 6/14/2018)**

**DeWine, Portman will share spotlight during Pence visit (Columbus Dispatch, 6/14/2018)**

**List of Ohio doctors approved to recommend medical marijuana grows (Columbus Dispatch, 6/14/2018)**

**Partnership to free up more money for Ohio suicide prevention programs (Columbus Dispatch, 6/14/2018)**

**Quinnipiac poll: DeWine-Cordray race too close to call (Columbus Dispatch, 6/14/2018)**

**Republican auditor candidate says opponent doesn't understand job (Columbus Dispatch, 6/14/2018)**

**Gov. John Kasich more popular with Democrats in Ohio than Republicans, poll says (Dayton Daily News, 6/14/2018)**

**New polls show Sherrod Brown up big over Jim Renacci in US Senate race (Dayton Daily News, 6/14/2018)**

**Who is Rep. Jim Jordan's favorite liberal? The answer might surprise you. (Dayton Daily News, 6/14/2018)**

**Sen. Sherrod Brown: Farm Bill might aid Lake Erie (Toledo Blade, 6/14/2018)**

## **EDITORIALS**

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**Beacon Journal/Ohio.com editorial board: Forward with public universities (Akron Beacon Journal, 6/14/2018)**

**Editorial: Expect to hear = 2voter purge' into November (Canton Repository, 6/14/2018)**

**Editorial: Voter registrations won't be canceled; Ohioans should use them (Columbus Dispatch, 6/14/2018)**

**Sutton: If DeWine opposes right-to-work he should say so (Youngstown Vindicator, 6/14/2018)**

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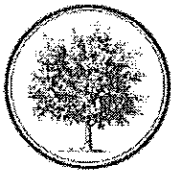
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**From:** The Buckeye Institute  
**Sent:** Thursday, June 14, 2018 2:15 PM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Ohio Needs to Modernize its Medicaid Program



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 14, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Ohio Needs to Modernize its Medicaid Program**

**Columbus, OH -- The Buckeye Institute's** Rea S. Hederman Jr., executive director of the Economic Research Center and vice president of policy, **submitted public comments** to the Centers for Medicare and Medicaid Services on Ohio's work requirement waiver application. These comments follow ones Hederman **submitted to the Ohio Department of Medicaid** on March 16, 2018.

"Ohio's community engagement waiver application is a good start at reforming the state's Medicaid program. It meets the federal government's test of budget neutrality and follows the guidelines on how to utilize waivers to fix our health insurance market," said Rea S. Hederman Jr., executive director of the **Economic Research Center** at The Buckeye Institute and vice president of policy. "The federal government has approved bolder waivers than Ohio's, which shows that the state needs to continue to modernize its Medicaid program to protect recipients and ensure the program's future sustainability."

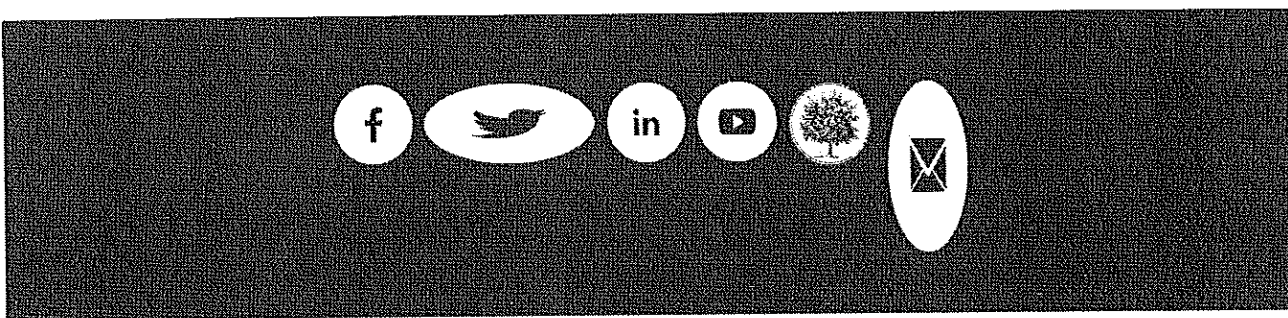
As he did in his comments on Ohio's waiver application, Hederman pointed out that Medicaid was drastically changed under the Affordable Care Act, saying, "Encouraging healthy, able-bodied adults to remain in the workforce or engage in other educational and training activities, Ohio's proposed Section 1115 waiver will enhance lifetime earnings, income, and health. By enhancing the health of the covered Medicaid enrollees, Ohio's proposed waiver meets the twin goals of the waiver demonstration project by promoting economic stability and improving health."

Hederman is a nationally recognized expert in health care policy. He was one of the first to propose using section 1332 waivers as a way to allow states to waive parts of the law and take back the ability to regulate their insurance markets. Hederman, and co-author Dennis G. Smith, outlined this approach in the report *Returning Health Care Power to the States*. More recently, in *Federal Efforts to Stabilize ACA Individual Markets through State Innovation*, a study for the **Mercatus Center** at George Mason University, Hederman and Doug Badger with the Galen Institute argue that Congress and the administration should empower states to devise new ways to make health insurance more affordable for more people.

###

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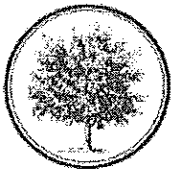
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**From:** The Buckeye Institute  
**Sent:** Friday, June 15, 2018 10:37 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Ohio Shows Strong Signs of Recovery



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 15, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Ohio Shows Strong Signs of Recovery**

**Columbus, OH** -- Andrew J. Kidd, Ph.D., an economist with The Buckeye Institute's Economic Research Center, commented on newly released employment data from the **Ohio Department of Job and Family Services** (Click [here](#) to download the audio file).

"For five straight months, Ohio's labor market has continued to show strong signs of recovery from the Great Recession. Since October 2016, Ohio's unemployment rate has fallen or remained steady and was 4.3 percent in May 2018. Despite the national unemployment rate falling to 3.8 percent, Ohio's labor force participation rate (62.8) was slightly higher than the national rate (62.7), showing a strengthening labor force, which continues to see job seekers finding good paying jobs. All of this shows positive signs for Ohioans.

"With 20,100 new non-farm, private-sector jobs added this month, Ohio's workforce has added more than 58,000 jobs this year alone. While construction jobs were a large component of this growth (12,900 jobs), manufacturing had the least growth, and could be harmed further by the Trump Administration's recently implemented tariffs. These protectionist policies have shown to hurt local economies and Ohio's national lawmakers need to ensure Ohioans in these industries are not harmed by such isolationist policies.

"Governor Kasich's tax cuts and policies, combined with the recently implement federal tax reform, have exhibited positive effects on Ohio's economy with a falling unemployment

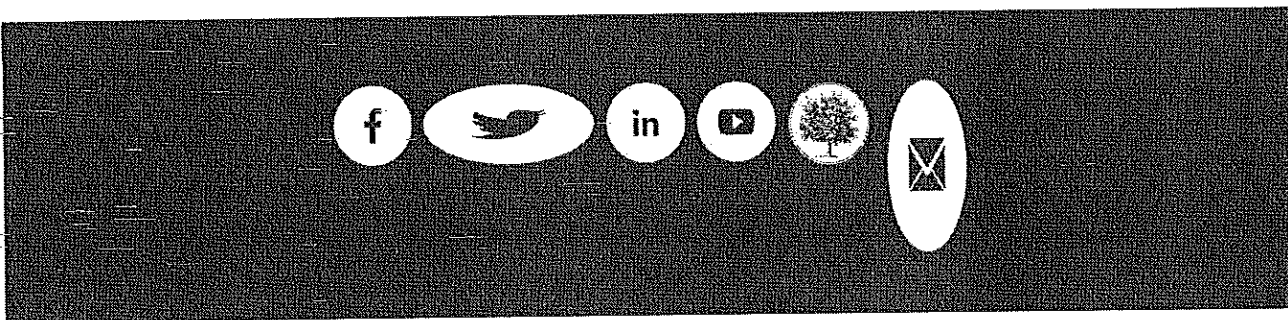


rate and strong job growth. These pro-growth policies, designed for both Ohio's workers and producers, will continue this trend and bring economic prosperity to the Buckeye State."

###

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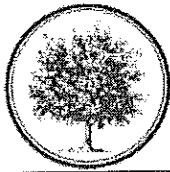
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**From:** The Buckeye Institute  
**Sent:** Friday, June 15, 2018 1:02 PM  
**To:** Snider, Grace  
**Subject:** ICYMI: Rea Hederman Writes in The Hill about the Slow Pace of Change Coming out of Washington

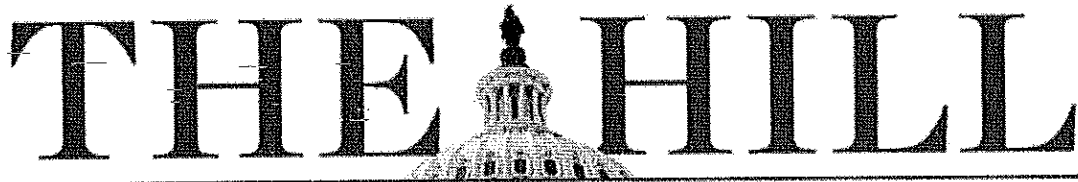


## THE BUCKEYE INSTITUTE

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In *The Hill*, Buckeye's Rea S. Hederman Jr. looks at the slow pace of change coming out of Washington on health care reform, writing, "[The] administration is not ready to cooperate and work with the states to find innovative solutions to a problem that the states didn't create."

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### States must hold Trump to his word on working with them to solve ObamaCare

*The Hill*

By Rea S. Hederman Jr.

June 14, 2018

On the very day he was inaugurated, **President Trump issued his first executive order** directing all federal agencies to cooperate with and "provide greater flexibility to States" as they looked for ways to stop the premium pains of Obamacare. So far, 500 days later, that order has yet to be followed.

Sure, Secretary of Health and Human Services Tom Price and the administrator of the Centers for Medicare and Medicaid Services Seema Verma promptly called for innovative solutions and promised to work with states to numb the pain that Obamacare continues to inflict on health care markets. But actions always speak louder than words and, thus far at least, federal action has denied or delayed most of the state innovation waivers requested under Section 1332 of the Affordable Care Act.

Most recently, for example, HHS denied Ohio's waiver request to exempt Ohioans from Obamacare's individual mandate to buy health insurance. Ohio acknowledged that the penalty for violating the mandate will be \$0 in 2019, but it rightly worries that so long as the mandate remains the law the tax penalty could be reinstated. Ohio's application followed the HHS blueprint for innovation waivers, but HHS denied the state's request because it did not "describe the reason for the waiver request."

This most recent denial should concern every state for two reasons. First, because **Ohio did in fact give its reason for the waiver**, stating several times that it was needed because the individual mandate remained federal law even though new legislation had "zeroed out" the penalty. Perhaps the agency did not find Ohio's straightforward explanation "descriptive" enough. And second, because HHS took 45 days to deny Ohio's request on what amounts to a technicality after HHS failed to tell applicants that descriptive explanations must be submitted in precise ways in particular boxes on federal forms. Those 45 days for a pro-forma rejection letter are symptomatic of an agency that routinely takes the entire 225-day approval period to *deny* state applications.

Both concerns signal that despite the President's directive, his administration is not ready to cooperate and work with the states to find innovative solutions to a problem that the states didn't create. And both signal more of the same technocratic, bureaucratic thinking that we have come to expect from Washington -- and that's a shame.

Fortunately, there is still time for the Trump Administration to learn from nascent mistakes and for the states to hold the President to his word on working with them to solve the riddle of Obamacare.

Right now, states are reluctant to pitch their innovative reform ideas to Washington given how Washington has treated them. But assuming that HHS and the Treasury Department actually want to empower the states and will entertain the bold ideas, the administration can still take several steps in the right direction starting with rescinding or substantially revising the Obama-era guidance on Section 1332 waivers.

The Obama Administration's crabbed view of federal-state cooperation produced guidance that discourages states from pursuing meaningful reform under Section 1332. Rewriting that guidance with a more expansive view is long overdue. The Trump Administration's revised guidance should add flexibility to HHS's interpretation of Section 1332, and it should actually follow the plain text of the Affordable Care Act that specifically allows states to combine Medicaid and innovation waivers so that they can find more effective ways for citizens to get better health care coverage as they leave Medicaid. Short of this, Mr. Trump's HHS can and should at least layout more detailed model innovation waivers, similar to the **model reinsurance waiver** it provided, for states to follow.

Just hours after taking the oath of office, President Trump wrote a new prescription for state and federal officials to follow in the fight for health care reform. Unfortunately, more than a year later, that prescription remains unfilled by the President's own team, denying the country at least one source of medicine that it desperately needs.

*Rea S. Hederman Jr. is executive director of the Economic Research Center at The Buckeye Institute and vice president of policy. He is the co-author of **Returning Health Care Power to the States and Federal Efforts to Stabilize ACA Individual Markets through State Innovation**.*

###

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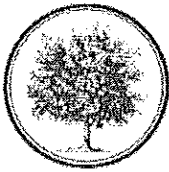
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**From:** The Buckeye Institute  
**Sent:** Tuesday, June 19, 2018 10:02 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Ohio Needs to Undertake Comprehensive Tax Reform, Not Pass New Taxes



## THE BUCKEYE INSTITUTE

Contact: Lisa Gates, Vice President of Comms

**FOR IMMEDIATE RELEASE**

June 19, 2018

(614) 224-3255 or [Lisa@BuckeyeInstitute.org](mailto:Lisa@BuckeyeInstitute.org)

### **The Buckeye Institute: Ohio Needs to Undertake Comprehensive Tax Reform, Not Pass New Taxes**

*Greg Lawson Submits Testimony to the Ohio House Ways and Means Committee*

**Columbus, OH --** The Buckeye Institute's Greg R. Lawson submitted written testimony (see full text below or **download a PDF**) to the Ohio House Ways and Means Committee on House Bill 571.

In his testimony, Lawson outlined the benefits of online travel companies (OTC) in providing "an online service that customers and hotel operators may use as they see fit to meet their own shopping and business needs." However, as Lawson noted, "House Bill 571 threatens to interfere with this free-market process by extending the reach of local lodging taxes to include the OTCs' service fees," which, Lawson noted, **courts in 39 cases in 23 states** ruled could not be taxed as hotel occupancy taxes.

Rather, Lawson encouraged Ohio undertake comprehensive tax reform writing, "As tempting as House Bill 571 may be for some revenue collectors, Ohio must be careful not to allow or encourage local governments to impose harmful new -- and in this case, illegal -- taxes apart from a more balanced and comprehensive tax reform effort."

###

**Interested Party Testimony on House Bill 571**  
**Submitted to the Ohio House Ways and Means Committee**

**Greg R. Lawson, Research Fellow**  
**The Buckeye Institute**  
**June 19, 2018**

Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the Committee, thank you for the opportunity to offer written comments today regarding House Bill 571.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

Online travel companies -- or OTCs -- such as **Hotel.com** and Expedia facilitate transactions for consumers looking to book hotel rooms online. These companies make it easier to find and secure lodging options by making those options available at a one-stop website location where consumers can search for the best deal and book a room, rather than scouring the internet for individual hotel rates and availability on individual hotel websites.

OTCs provide an online service that customers and hotel operators may-use as they see fit to meet their own shopping and business needs. Nothing compels hotels to use OTCs, they choose to do so voluntarily because they believe that it will increase their exposure, reach more customers, and lead to more bookings. In short, they believe that it helps their business prosper and many smaller, non-chain hotels use OTCs precisely for this reason, because OTCs provide a critical service that boosts their room sales.

Unfortunately, House Bill 571 threatens to interfere with this free-market process by extending the reach of local lodging taxes to include the OTCs' service fees.

Typically, customers who book rooms through an OTC will pay the same amount for their room as customers who book directly through a hotel website. The actual room rates that hotels receive for bookings made through an OTC, however, are generally lower than what the hotel would receive on rooms booked directly. The OTC keeps the difference -- effectively charging the hotel a service fee for facilitating the booking.

Local governments assess sales and lodging taxes based upon the actual room rates that hotels receive, not the prices paid by customers. Consequently, local governments collect less total tax on rooms booked through an OTC than they would on the same rooms booked

directly through the hotel. House Bill 571 would expand the local sales and lodging taxes to include an OTC's service fee.

It is not hard to understand that House Bill 571 could be attractive to local governments eager to collect more taxes, but the bill has at least one fatal flaw.

As proposed, House Bill 571 would assess a lodging tax on a service fee. Such taxes have already been held illegal in multiple cases across multiple jurisdictions. As the Legislative Service Commission has explained, the United States Court of Appeals for the Sixth Circuit -- with federal jurisdiction over Ohio -- has twice ruled that localities cannot impose lodging taxes on OTCs.[1] Other courts have made similar rulings recently in Texas and Illinois,[2] and as of early 2016, courts in 23 states had concluded that OTC services could not be taxed as hotel occupancy taxes.[3]

Furthermore, House Bill 571 would also apply a sales tax to OTC service fees. The Buckeye Institute remains open to discussing sales taxes on services as part of a comprehensive tax reform that would include eliminating the state personal income tax,[4] as well as other appropriate offsets that will make Ohio's tax system fairer, simpler, and more transparent.[5] Merely taxing OTC service fees without other comprehensive tax reforms would be nothing more than a selective tax increase imposed on only one service industry, and it would threaten to hurt profits, sales, and jobs.

Ohio's taxes are already too high, with an average combined state and local tax rate standing at more than seven percent.[6] Some Ohioans pay even higher combined rates in some communities where tax rates approach 10 percent[7] -- a level one might expect in high-tax states like New York.[8] High tax rates have real world consequences for workers, businesses, and states. As the Tax Foundation has demonstrated, people and jobs do in fact migrate from high-tax states to low-tax states -- and that migration will inevitably cost Ohio workers, businesses, and future economic opportunities.[9] Simply adding new taxes on services will not lighten Ohio's already burdensome tax load.

As tempting as House Bill 571 may be for some revenue collectors, Ohio must be careful not to allow or encourage local governments to impose harmful new -- and in this case, illegal -- taxes apart from a more balanced and comprehensive tax reform effort.

Thank you for the opportunity to submit this testimony.

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[1] Mackenzie Damon, *House Bill 571 Bill Analysis*, Legislative Service Commission, 2018.

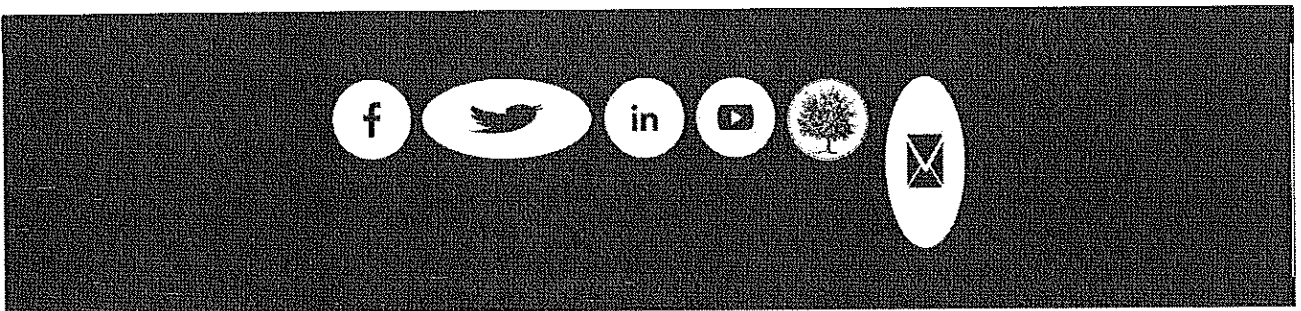


- [2] Paul Stinson, **Online Travel Companies Prevail in \$84 Million Texas Tax Dispute**, Bloomberg Bureau of National Affairs, November 30, 2017.
- [3] Joseph Bishop-Henchman, **Litigation Ongoing Against Online Travel Companies for Hotel Occupancy Taxes**, The Tax Foundation, February 17, 2016.
- [4] Greg R. Lawson, research fellow, The Buckeye Institute, **Testimony Before the Ohio House Ways and Means Committee**, March 15, 2015.
- [5] Rea Hederman Jr., Tom Lampman, Greg R. Lawson, and Joe Nichols, *Tax Reform Principles for Ohio*, The Buckeye Institute, February 2, 2015.
- [6] Jared Walczak and Scott Drenkard, **State and Local Tax Rates 2018**, The Tax Foundation, February 13, 2018.
- [7] Morgan Scarboro, Scott Drenkard, and Rea S. Hederman Jr., *Ohio Illustrated: A Visual Guide to Taxes and the Economy*, The Tax Foundation and The Buckeye Institute, June 2017.
- [8] *Ibid.*
- [9] **State to State Migration Data**, The Tax Foundation (Last visited June 14, 2018).

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**From:** Fleck, Craig  
**Sent:** Friday, June 22, 2018 3:42 PM  
**To:** GOP\_All  
**Subject:** New GOP Additions


# WELCOME

When you get a free minute, please make sure to introduce yourself and welcome the newest members of our team.



## Tyler Herrmann, Deputy Legal Counsel / Policy Advisor

Tyler is from Harrison, Ohio and holds a Juris Doctorate from the University of Cincinnati and a Political Science degree from Wright State University. Tyler served in the United States Air Force as an Operations Intelligence Analyst NCO and currently serves as a JAG Attorney for the United States Army. He currently presides as the Chairman for the Ohio Chapter of the Republican National Lawyers Association, and as the Treasurer for the Cap City Young

	<p>Republicans. Tyler transferred to the House from the Attorney General's Office where he served as an Assistant Attorney General within the Executive Agencies Section.</p>
	<p><b>James Kennedy, LA Merrin</b></p> <p>James is from Palm City, Florida and an alum of Florida, Atlantic University where he graduated with a degree in Political Science. While in college he had the opportunity to serve as a Tax and Fiscal Policy Intern for the American Legislative Exchange Council (ALEC). James has an extensive research background serving as a Legal Research Analyst Intern for the Buckeye Institute and as a Political-Military Analyst Intern for the Hudson Institute. Prior to arriving to the House, he served as a Legislative Assistant for the Tennessee Legislation Service in Nashville. In James' free time, he enjoys collecting sports memorabilia and claims to have personally met nearly every</p>

major league baseball  
superstar.

## Lauren Reid, LA Butler



Lauren is from Madison, Connecticut, and recently graduated from the University of Dayton with degrees in Criminal Justice and Political Science with a minor in Spanish. While at Dayton, she served as a Statehouse Civic Scholar, where she was assigned an internship working for the Governor's communication team. Lauren had the unique experience of traveling to Segovia, Spain, where she participated in a four-week immersion program. During the winter months whenever she gets the opportunity, she enjoys to snowmobile.

### **Craig Fleck**

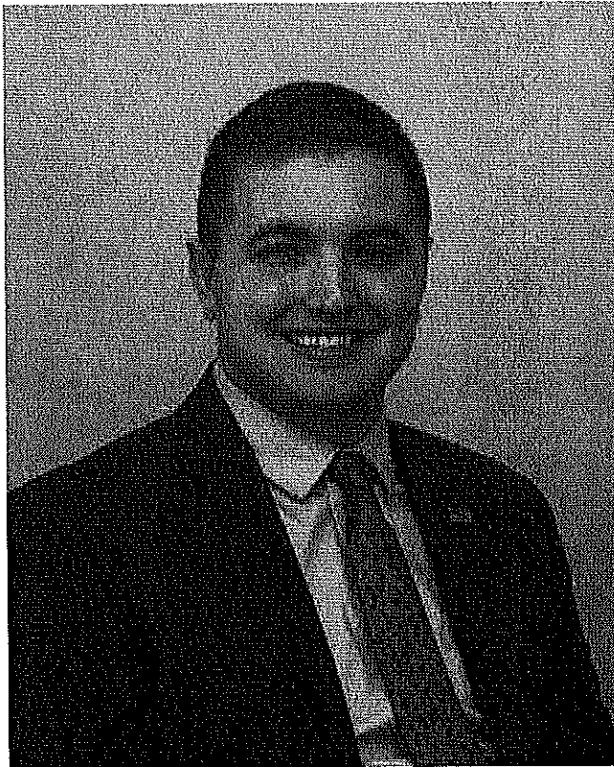
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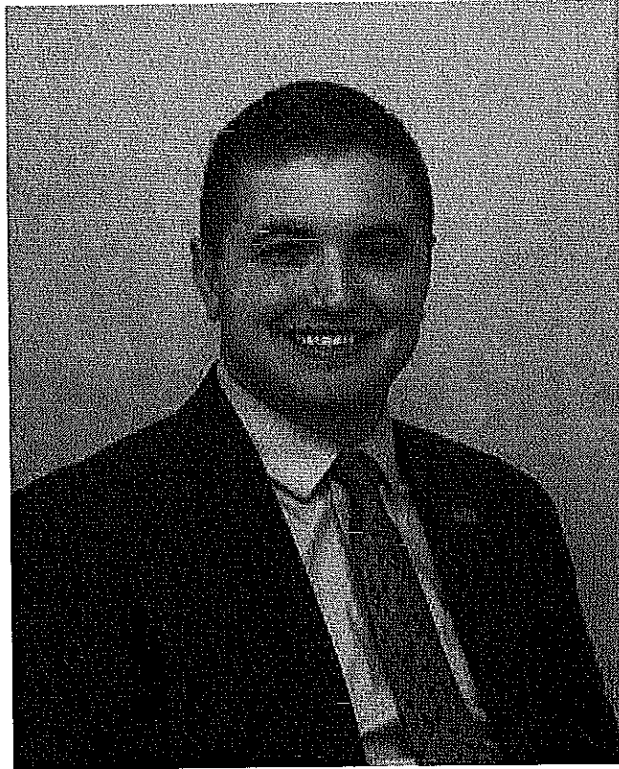
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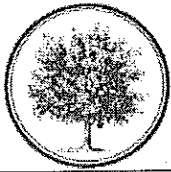
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**From:** The Buckeye Institute  
**Sent:** Tuesday, June 26, 2018 10:53 AM  
**To:** Snider, Grace  
**Subject:** Policies in HB189 Confront Ohio's Onerous Occupational Licensing Burdens



## THE BUCKEYE INSTITUTE

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### **Policies in House Bill 189 Confront Ohio's Onerous Occupational Licensing Burdens**

The policies in House Bill 189 are simple, straightforward, and confront Ohio's onerous occupational licensing burdens. While some licensing may be needed to ensure public safety, too often they require workers to ask the government for a permission slip to earn a living. Such is the case for cosmetologists.

Today, Ohio cosmetologists must complete 1,500 hours of training to be licensed. That is 250 hours more training than their peers in Pennsylvania and 500 more hours than hairdressers in New York. The onerous training required for Ohio's cosmetologists is even more ridiculous when compared to the 150 hours of training required to be a state certified Emergency Medical Technician (EMT). With Ohio law currently requiring cosmetologists to have 10 times the training of basic EMTs, the need for licensing reform doesn't get much clearer.

The policies in House Bill 189 merely reduce the burden from 1,500 hours to 1,000 hours of education, which is in line with fashion-centric New York.

As The Buckeye Institute's Quinn Beeson noted in *The Columbus Dispatch*:

"Becoming a cosmetologist gives women and minorities - who compose the overwhelming majority of those in the industry - control over their own lives. That is why opposition to removing barriers for these people is so misguided.

"It is shocking that opponents of reform, mostly for-profit schools, want to stop young people from getting hired more quickly while heaping mounds of debt on their shoulders and crushing their opportunities."

I have provided **interested party testimony** on House Bill 189, and Buckeye has also researched the occupational licensing problem overall in *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back* and *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*.

It is time to stop making Ohio less competitive, less prosperous, and less attractive to entrepreneurs and their employees. Too many licensing requirements only make finding a job more difficult. Every unnecessary license is a red-taped hurdle that must be cleared. As Beeson notes, "It is ridiculous that it takes longer to be a cosmetologist in Ohio than it would to work for a celebrity salon such as the Warren-Tricomi Salon located in the Plaza Hotel in New York City."

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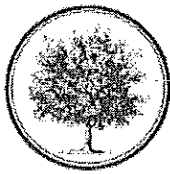
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**From:** The Buckeye Institute  
**Sent:** Wednesday, June 27, 2018 10:47 AM  
**To:** Snider, Grace  
**Subject:** The Buckeye Institute: Reducing Ohio's Regulatory Burden Would Boost the Economy and Grow Jobs



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**FOR IMMEDIATE RELEASE**

June 27, 2018

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### **The Buckeye Institute: Reducing Ohio's Regulatory Burden Would Boost the Economy and Grow Jobs**

*Greg Lawson Testifies Before the Ohio Senate  
Transportation, Commerce, and Workforce Committee*

**Columbus, OH --** The Buckeye Institute's Greg R. Lawson testified today (see full text below or **download a PDF**) before the Ohio Senate Transportation, Commerce, and Workforce Committee on Senate Bill 293.

In opening his testimony, Lawson recognized the importance of regulations that protect public health and safety, but pointed out that "Ohio desperately needs regulatory reform that eliminates unnecessary regulations that strangle private industry and enterprise as part of the state's broader reform efforts to boost economic growth."

Highlighting Ohio's onerous occupational licensing regime as a good place to begin reducing Ohio's regulatory burden, Lawson noted that the licensing requirements of professions such as auctioneers, travel guides, hairdressers, and flower arrangers, to name a few, do little-to-nothing to protect public health and safety, but add to Ohio's regulatory burden and Ohio's "economy and citizens suffer for it."

Lawson noted that Buckeye's research on **occupational licensing** and **forced government energy mandates** has shown the negative impact and economic trade-offs over regulation

has on job creation, stating, "Ohio must also reexamine government mandates that interfere with market-pricing and make goods artificially more expensive for businesses. Such interference ultimately leads to slower job growth as businesses curtail hiring and wages in order to offset the artificially higher costs created by the mandates."

In closing, Lawson praised the Senate's efforts to "develop a meaningful process to methodically and thoughtfully reduce regulatory restrictions and burdens on all Ohioans."

###

**Interested Party Testimony on Senate Bill 293  
Before the Ohio Senate Transportation, Commerce, and Workforce Committee**

**Greg R. Lawson, Research Fellow  
The Buckeye Institute  
June 27, 2018**

Chairman LaRose, Vice Chair Kunze, Ranking Member Schiavoni, and members of the Committee, thank you for the opportunity to testify today regarding the need for regulatory reform in Ohio and Senate Bill 293.

My name is Greg R. Lawson. I am the research fellow at **The Buckeye Institute**, an independent research and educational institution -- a think tank -- whose mission is to advance free-market public policy in the states.

The Buckeye Institute applauds the Senate for taking up regulatory reform in an effort to cut bureaucratic red tape. Ohio desperately needs regulatory reform that eliminates unnecessary regulations that strangle private industry and enterprise as part of the state's broader reform efforts to boost economic growth. If Ohio does not focus its regulations and rules on protecting the public from genuine harm, the state will continue to see slow growth and low prosperity.

Some regulations, of course, are essential for preserving public health and safety. No one wants doctors using unsterilized medical equipment, or inadequately trained engineers designing bridges, or toxic chemicals polluting our soil and waterways. Requiring appropriate education and training for physicians, healthcare providers, pilots, and truck drivers helps safeguard the general public in our hospitals and on our roads and runways. But the same cannot be said with respect to auctioneers, travel guides, and hairdressers -- all currently subject to Ohio's byzantine and overly restrictive licensing requirements.

Occupational licensing restrictions present a growing problem at both the state and national level. In 2008, nearly 30 percent of the U.S. workforce was required to hold a license in order to go to work.[1] In 1970, that number was only 10 percent.[2] But even as the scope of occupational licensure has expanded, it is unclear that such licensure has added much value to or improved the quality of goods and services. Studies have shown, for example, that stricter licensure requirements have had little effect on the quality of care provided by dentists[3] or on the quality of service offered by flower arrangers.[4] That dentists are subject to licensing requirements is not troubling or surprising, but that flower arranging should require the state's permission slip is -- which makes the lack of any noticeably improved quality all the more concerning.

And although some occupational licensing does indeed provide the public with some residual benefit, that benefit is not without cost. Expansive licensing schemes costs the community jobs.

Professor Morris Kleiner testified before the U.S. Senate Judiciary Committee that his research concluded that licensing laws cost between a half and one percent of jobs nationally in 2010.[5] Those seemingly small percentages amount to tens of thousands of unborn jobs across America that never came into existence -- a claim bolstered by research out of the Brookings Institute's Hamilton Project revealing that stringent licensing requirements result in fewer providers of the services subject to the requirements.[6] Fewer providers means fewer-employers and-fewer available jobs.

Perhaps unsurprisingly, given Professor Kleiner's findings, the Obama Administration released a detailed report in 2015 calling for nationwide reforms to occupational licensing.[7] Echoing bipartisan support for such measures, the Trump Administration's Secretary of Labor has since recognized that:

"Americans want principled, broad-based reform. If licenses are unnecessary, eliminate them. If they are needed, streamline them. And, if they are honored by one state, consider honoring them in your own state. Americans looking to enter the workforce deserve no less than our most ardent efforts to remove regulatory barriers so that they can have a job."[8]

Ohio, unfortunately, continues to contribute to the nation's licensing crisis -- and its economy and citizens suffer for it.

The Buckeye Institute's report, *Forbidden to Succeed: How Licensure Laws Hold Ohioans Back*, showed not only that Ohio's licensing burdens are more stringent than the national average, but also that nearly every Ohio license that requires training can be earned in less

time in another state.[9] Our subsequent study, *Still Forbidden to Succeed: The Negative Effects of Occupational Licensing on Ohio's Workforce*, confirmed the disturbing and stubborn fact that Ohio's licensing requirements erect higher barriers to employment for those most in need of quality jobs: middle-aged and low-income workers, and those without a college degree.[10]

Our macroeconomic dynamic model, developed by economists at The Buckeye Institute's **Economic Research Center**, revealed that Ohio's licensing requirements have prevented more than 7,000 people between the ages of 25-45 from pursuing licensed occupations, and have discouraged people from migrating to Ohio to enter the job market. The model also showed that high licensing costs keep workers from good-paying professions, and suggests that without such costs more workers would find employment.[11]

Consider Jennifer McClellan. A new mother, a long-time professional, and a licensed massage therapist, Ms. McClellan tried moving back to Ohio to be closer to her family, but the Ohio State Medical Board denied her license application because she was 10 days shy of the state's training requirements.[12] The board unduly discounted years of training and work experience, and would not honor the license she had already earned in Minnesota.

Ms. McClellan is not alone. Ohio cosmetologists, for example, must complete 250 more hours of training than their peers in Pennsylvania and 500 more hours than hairdressers in New York.[13] Such onerous cosmetology-training requirements become laughable when compared to the 150 hours of training required to be a state-certified Emergency Medical Technician (EMT).[14] Requiring cosmetologists to have *10 times* the training of basic EMTs, makes the case for licensing reform as clear as can be.

Beyond occupational licensing reform, Ohio must also reexamine government mandates that interfere with market-pricing and make goods artificially more expensive for businesses. Such interference ultimately leads to slower job growth as businesses curtail hiring and wages in order to offset the artificially higher costs created by the mandates. Ohio's Renewable Portfolio Standard (RPS), for example, has a very limited effect on public safety, but a tragically negative effect on job creation and employment.[15]

Advocates of Ohio's RPS requirements assured that the standard would create jobs while making the environment cleaner and healthier. Unfortunately, as The Buckeye Institute's research has shown, the RPS actually results in fewer jobs across the state.[16] Using a realistic scenario, our dynamic macroeconomic model estimated that Ohio's current RPS could mean as many as 63,000 *fewer* jobs in Ohio by 2022.[17] Using even more conservative assumptions, the study estimated that the RPS will cost more than 25,400 people employment by 2022.[18] Renewable energy will undoubtedly play a larger role in